Approved: March 12, 1996

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION AND ELECTIONS.

The meeting was called to order by the Chair, Rep. Carol Dawson, at approximately 9:00 a.m. on February 22, 1996 in Room 521-S of the Capitol.

All members were present except: All Present

Committee staff present: Dennis Hodgins, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Jim Wilson, Revisor of Statutes
Donna Luttjohann, Committee Secretary

Conferees appearing before the committee: Rebecca Rice, Lobbyist
Harold Riehm, KS Society of Assn Executives
Connie Stewart, AFL/CIO
Mike Lackey, Asst Sec of Transportation
Sara Ullmann, Register of Deeds, Johnson Co

Others attending: See attached list

Madam Chairman Dawson called the Committee's attention to **SB 461** regarding the reorganizing of the Department of Commerce and Housing. The Committee discussed the bill.

Rep. Benlon made a conceptual motion to amend the bill by striking the original bill's content and substituting an expanded version of the Governor's ERO 26. It was seconded by Rep. Gilbert. The motion carried.

Rep. Benlon made a motion to favorably recommend passage of **Substitute SB 461**. It was seconded by Rep. Gilbert. The motion carried.

Madam Chairman Dawson brought the Committee's attention to **HCR 6010** disapproving the ERO 26 relating to the Division of Marketing within the Kansas Department of Agriculture being transferred to the Kansas Department of Commerce and Housing.

Rep. Benlon made a motion to pass HCR 6010 to the Committee of the Whole without recommendation. It was seconded by Rep. Cox. The motion carried.

Hearing on:

HB 3000: Prescribing certain standards governing ethics and conduct for public officers and employees

The Chair recognized Rebecca Rice as a proponent of the bill. She testified that it is time the legislature take action and that the bill is positive toward the reform necessary. See Attachment 1.

Harold Riehm was recognized by Madam Chairman Dawson to speak to the bill. Mr. Riehm testified that many lobbyists did not know about the bill and that it seems unfair to pass something without their input. He testified that he feels the bill has merit. See Attachment 2.

Connie Stewart was recognized by Madam Chairman Dawson to speak as an opponent of the bill. Ms. Stewart testified the concern by her organization was of the volunteer services provided without compensation except for the value of volunteer services provided or arranged for by a lobbyist or political committee. See Attachment 3.

Mike Lackey was recognized by the Chair to speak to the bill. He testified that ethical behavior for state employees is essential, however, the bill presented could affect the employment situation for many state employees. See Attachment 4.

Madam Chairman Dawson recognized Sara Ullmann to speak to the bill. She testified that some provisions of the bill would restrict local governments. See Attachment 5.

The Madam Chair adjourned the meeting at 10:05 a.m. and announced that the next meeting would be February 23, 1996, at 9:00 a.m. at the Capitol with the room number to be announced.

GOVERNMENTAL ORGANIZATION AND ELECTIONS COMMITTEE GUEST LIST

DATE: February 22, 1996

Jim Yonally — Self

NAME	REPRESENTING
Ron Smith	Ks Bar Assoc
DAVID B SCHLOSSER	Pete McGill & Assoc
Jim SHETLAR	United We Stand of Kans
Bill Reid	KS Independent College Assn
Harold Rieth	KSAE
Jim Edwards	KCCI
Sara Ullmann	JOHNSON COUNTY VOTERS
Tom WHITAKER	Ks Motor Carriers Assn
Sondra Clark	Ks Insurance Dept
Colleen Kyser	Senator Karr
James E Gordon	Secretary of State
Jamie Laudenberger	KDHE
Jana Atchison	KCGSC
Janet Williams	KCGSC
Jim REARDON	Div of Fac. Mgmt. D of A
[illegible]	"
Elizabeth Engley	KS Co Clerks Assn
George Ross, Jr.	State Treasurer's
Mark Tallman	KASB

Jamie Clover Adams — KGFA/KFCA

Tom Bruno — Allen & Assoc

Alan Steppat — PETE McGILL & ASSOC.

Jeanne Patterson — KS Soc of Assn Exec.

KEITH R. LANDIS — CHRISTIAN SCIENCE COMMITTEE ON PUBLICATION FOR KS

Harriet Lange — Ks Assn of Broadcasters

Bill Fuller — Kansas Farm Bureau

Jennifer Unruh, Overland Park Chamber of Commerce

TESTIMONY PRESENTED TO THE
HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION AND ELECTIONS

HB 3000

February 22, 1996

by: Rebecca Rice

Thank you, Madam Chair, and members of the committee. My name is Rebecca Rice and I appear before you today as a proponent of HB 3000. I am not representing any client on this issue.

Many of the committee members have known me for years and realize I am not new to the business of lobbying. I began lobbying full-time in 1982 after interning with Senate Majority Leader Norman Gaar in 1980 and working for Mr. Paul Fleenor at Farm Bureau for a couple of years.

I have certainly not been here as long as many lobbyists in the building. However, I have been here -lobbying- longer than most. A very small part of the reason I appear before you today is to assure the committee that, despite my last appearance before this body, I am not opposed to ethics reform. In fact, I am seriously supportive of **meaningful** ethics reform. However, I have never believed that increased reporting constituted serious ethics reform. Reporting allows for artful bookkeeping. Prohibiting activities is, generally, the only way to reach serious ethics reform.

In 1974, the most sweeping ethics reform legislation seen before or since was adopted, under the leadership of Mr. Pete McGill, as House Speaker, Mr. Bob Bennett, as Senate President, and Mr. Pete Loux, House Minority Leader and with the help of a few committed legislators.

As we all remember, that 1974 legislation followed interim study, and the general effect was required due to the shock of Watergate and all its implications. Kansas was not the first, but was part of a movement throughout the nation to enact new laws regulating elections, the conduct of public officials, and the activities of lobbyists. Lobbyists then, as now, did not like the changes. Any changes were scary. They considered them an invasion of their privacy; they were going to spend all of their time filing reports; the laws were going to deny them access; it was going to be a disaster. I don't know if you've noticed but the laws obviously did not cause too many problems for lobbyists as our numbers seem to grow geometrically every year.

Lynn Hellebust, a name you will recognize, was the first executive director of the Kansas Governmental Ethics Commission. He had a staff of six, consisting primarily of auditors. The commission had eleven members and was appointed by all three branches of government; the Governor, legislative leadership, and the Supreme Court Chief Justice. Early members who served on the commission included: former House Speaker Calvin Strowig; former legislators Steadman Ball and Harold Herd, (later appointed to the Supreme Court and now retired); Brian Moline, Senator Nancy Kassebaum; retired editor and professor Clyde Reed; John Henderson, then president

of Washburn University; Kathleen Sebelius; and Michael Davis, then Dean of the KU Law School. It was a formidable commission who had every intention of forcefully executing the laws the legislature had passed.

Kansas was noticed nationwide for its new ethics reform legislation. Mr. McGill received an award on behalf of the Kansas Legislature for one of the most improved legislature. I think a picture of Mr. McGill receiving that award hangs in his boardroom. Everyone was extremely proud to be associated with the new ethics laws.

But things began to change in the summer and fall of 1974. Bob Bennett was elected Governor. Mr. Pete McGill remained Speaker of the House, and Richard Rogers (now a federal judge) became Senate President. The new disclosure laws were proving to be somewhat embarrassing. The new commission had ruled that appointed state officials must file disclosure statements if they deal with clients or customers, or if they share in fees paid to a business in which they have a substantial interest.

The Legislature began to systematically diminish the strength of the reform legislation passed in 1974. I have a copy of that legislation which I will give to any of you who want a copy. It was several pieces of legislation and they also were very voluminous. We tend to think that we have built upon and strengthened those 1974 laws. That is a myth. Possibly the most important change made by the Legislature of 1975 was to change the makeup and the appointment authority of the ethics commission. The Legislature removed the appointive authority for the Supreme Court Chief Justice, the Governor was given five appointments to the commission and the legislative leadership would choose the other six.

During the legislative session of 1975, John Henderson, then president of Washburn University, resigned as chairman of the ethics commission. It was his belief that Washburn funding would be jeopardized if he did not remove himself from the commission. In June, 1975, Commissioner Drew Hartnett, a respected Salina attorney and former state legislator, also resigned due to his knowledge of the Henderson threats. He noted that the commission should have been protected from the legislature in the same manner as the courts.

The crippling blow to the Kansas ethics laws was dealt in 1981, when the State's prosecution of former state representative Vic Kerns for campaign finance violations was dismissed by the Supreme Court because of a flawed enabling clause. The court's decision rendered void 18 of the original 43 sections of the Act. The remaining 25 had been revised by the Legislature and, therefore, were not flawed. It was in 1981 that the commission was cut from 11 members to five. It was in 1981 that the campaign contribution limits were raised. The Legislature changed a commission mandate to hire an executive director to a permissive "may" and cut the agency budget by the salary of the executive director. It cut the staff from six members to five. You can draw your own conclusions.

There is nothing in HB 3000 that increases the power of the ethics commission, changes its makeup, changes its appointive power, or changes the manner in which it is funded. I think that we have learned our lesson from 1975 and 1981. Past legislatures have simply been unable to allow a strong ethics commission. If you chose to amend this bill to create a stronger commission with more power and a different funding mechanism, I would

have to believe that immediate subsequent legislatures would undo that action, just as was done in the 1970's and early '80's. I completely agree with the emphasis of HB 3000. The bill concentrates on prohibitions, increased applicability, and choices for lobbyists.

1974 was a unique time because the nation was faced with its first high profile, television-monitored, national political scandal. The public demanded that the state legislators prove they were clean, honest public servants. It was that demand that instigated the 1974 laws. However, the public forgot to watch to make certain that the laws of which we were so proud were left in place. It served the purposes of many to weaken those laws, and it has served the purposes of most to keep the ethics laws weak.

We do not have a national scandal of such proportion that the Legislature is required to respond as with Watergate. However, we have in 1996 something as important. We have a Legislature made up of enough new members, who want to make a difference, that true substantial ethics reform is possible for the first time in the years I have been working the halls. You have a unique opportunity. There is a combination of public demand coupled with a legislative desire to improve the system plus an election year for all legislators.

As I looked at the makeup of this committee, I realized there are very few "veterans" as committee members. I am not saying that individuals who have been here for a long time are incapable of wanting ethics reform. Most probably do. The problem with this type of sweeping reform is that those who have been in office for a while begin to believe that it is not possible to accomplish real reform. They have watched too many reform efforts fail. They've watched good ethics bills become so watered that, by the time the bills pass, there is virtually nothing of substance left. It is this resignation that they bring to the effort to pass true reform that should motivate each and every one of you.

Rep. Bob Miller is probably the only current legislator who was here in 1974. I have not yet discussed this legislation with Rep. Miller, however, one of Rep. Miller's finest qualities, in my opinion, has been a continuing belief that the system in Topeka needs to be improved and that improvement can be achieved through ethics reform. Of those "veteran" legislators, some may tell you that they've never really seen anything wrong in Topeka. They think everyone here is pretty honest and it all works pretty well. Others may tell you the system is broken and that they no longer believe it can be fixed.

The responsibility to believe that the legislative system can be improved and should be improved at every opportunity lies with new legislators. It will come from those of you on this committee who are able to see that this is a unique opportunity that will probably never present itself to you again. You will have to stay, in all likelihood, 20 years to ever see this opportunity again. The only exception may be, if there is a scandal in Kansas of massive proportion. With so little activity being illegal, it is difficult to imagine what the scandal will be that will force the legislature to adopt reforms.

Most of you, if not all, campaigned initially on the fact that you would make a difference; that if you were elected, you would work diligently to change things in Topeka. When you made those statements in your

campaign. I think that you believed it. I think that you believed there were things in Topeka that were wrong and needed to be changed. You didn't like the influence the special interests had over the system and legislators. You were at an extreme disadvantage against the incumbent, if there was one. The disadvantage was the campaign contributions from the special interest groups. You knew the system was wrong, and you knew you wanted to help change it. Some of you have now embraced the system to a certain extent. You now *understand* why things work the way they do in Topeka. I hope that with that understanding you did not become accepting of certain practices. It isn't right, it is broken, and you have the opportunity to fix it.

There are many things in this bill that you may not like. There are things in this bill I don't like. The many individuals who were involved with drafting this bill appear to have made certain that everyone who is involved in doing business in Topeka will be affected in some way by this legislation. No one will be crippled. No one is unduly hurt. All of us will held to a higher standard. I would caution that if you add too much or remove too much it will affect the balance achieved by this bill and you will lose the opportunity to be an integral part of a legislative body that passes such sweeping ethics reform as to rival that adopted in 1974. If we compare the 1974 version in its subsequent weakened state against HB 3000, you will be able to claim to have been the committee to pass the most significant ethics reform in the history of the state.

Kansas hasn't been a leader in ethics reform since 1974. We have systematically weakened our ethics laws and the enforcing commission to the point it is virtually impossible to uncover any problems. I grow weary of hearing that "no one has been convicted; no scandal has been uncovered" as the reason for not passing stronger ethics laws. Of course no one has been arrested or convicted in recent years. It is basically because there is so little that is illegal in Kansas. When a scandal does surface, the typical reaction from the press is that there is no reason to write about it. What the individual did may have been wrong, but it was not illegal.

For example, this summer and fall, I sat in on the hearings of the interim committee on gaming. A conferee from New Orleans testified by telephone before the committee about the New Orleans experience with gambling. The conferee was extremely opposed to gambling. In his long list of reasons as to why he was opposed, he talked about the scandals involving public officials that surfaced following the campaign to allow gambling in Louisiana. He discussed the climate for the scandals that exist in Louisiana due to the laxness of their ethics laws. As an example, he spoke of a particular legislator's ability to be a vendor to one of the casinos. He, of course, discussed it so that we could be shocked that such activity was not illegal in Louisiana. I sat in the audience waiting for one of the legislators on that panel to explain that such activity is not illegal in Kansas either. However, his assumption about the illegality in Kansas was never corrected by any Kansas legislator. Now, our laws might require that such an arrangement be disclosed. However, our disclosure laws are so weak that a couple of shell corporations will cover up any possible financial arrangement which might be unattractive if revealed on the front page of a newspaper. It is not illegal, just unattractive.

I have supplied you with an article from the St. Petersburg Times. I have chosen to avoid any Kansas examples because I do not believe this legislation represents anything personal for any particular legislator, lobbyist, campaign contributor, or campaign volunteer. Additionally, we know no facts regarding any improprieties

because there is so little that is illegal in Kansas so I am not going to respond to the attempt to deny the need for ethics reform because no lobbyist or legislator has broken the law. However, this article from the St. Petersburg paper highlights how strongly we rely on the excuse that a legislator or a lobbyist didn't do anything illegal. It may have been wrong, but it wasn't illegal.

Additionally, I have provided a story taken from the KC Star regarding Missouri Speaker Bob Griffin. Mr. Griffin did not do anything illegal in Missouri and the same activity, apparently, would not be illegal in Kansas. The public, however, certainly believed the activities were wrong. Maybe these things aren't happening in Kansas but under our present laws, how would we ever know?

When public demand has grown over the years for ethics reform, the Kansas Legislature has typically concentrated on controlling lobbyists. Lobbyists are visible and easy targets. Certainly, their activities need to be controlled to a certain extent. HB 3000, however, recognizes that lobbyists are members of the general public with the same constitutional rights and protections as the general public. Lobbyists have not run for office and have not subjected themselves to the laws that can be applied to public officeholders. Therefore, laws controlling lobbyists are difficult to craft because our constitutional rights and protections can not be infringed upon. HB 3000 recognizes that to control lobbyists, you must control legislators. The bill establishes a voluntary class of certified lobbyists. It is through this voluntary type of credentialling that you can control the activities of those lobbyists who **voluntarily** subject themselves to that control.

Obviously, there will be naysayers. Many of your colleagues have already begun the process of trying to diminish the legislation's effect. These efforts are going to come at you from many directions. You will hear it from lobbyists; county commissioners, who will swear they do not have the problems on the local government level that you have in Topeka; and from campaign workers and contributors. You will be told so many different reasons why you shouldn't do this, you will lose track. At the core of these reasons will be the argument that nobody is really doing anything wrong. I am going to accept that argument as being true. I am willing to accept that no county official, city official, school member, legislator, statewide official is doing anything wrong. It is because of that fact, that we need to prove to the public that they are wrong. The public believes that there are public officials doing immoral and unethical things. The original legislation of 1974 was designed to prove to the public that nothing bad was going on in Topeka. The legislation was designed for full disclosure of all activities so that the public would know how the system worked in Topeka, why it worked that way, and would grow to trust their public officials once again. Instead, legislators began to be uncomfortable with what was being disclosed, and started to weaken the laws and certainly to weaken the enforcing arm of those laws. This legislation goes beyond mere disclosure to reinstate public trust and faith. This legislation is designed to prohibit certain activities. If no one is doing anything wrong now, then putting these prohibitions on the books to begin the process of reinstating the public's trust in the legislative process at all levels of government will only serve to prove the naysayers contention that nothing is wrong.

The argument that "if it isn't broken, don't fix it" doesn't work here. There is nothing to be broken in Kansas,

because there is so little that is illegal or prohibited. And, beyond that, it is broken. Many of you campaigned on that belief, at least in your first campaign. They are campaigning on that belief on the national level right now. I believe it is broken, and I am a fifteen year veteran of these halls. And when a system only operates successfully on the public's trust and involvement, then the public gets to decide if it is broken. The public has decided. They want it fixed.

It will be easy to kill this bill. The hardest thing you might ever do in your legislative career is passing this legislation. Change is so difficult for all of us. So, to kill it, just nitpick it to death. Listen to the naysayers. The people who will say, "well , if you will just take this one little piece out, then it will probably be alright." You can amend it to the point that it does virtually nothing. That is certainly how those who are opposed to ethics reform will attack the bill. I would be surprised if there is anyone sitting on this committee who doesn't have at least one part of this bill that they want taken out. Many of you probably have several parts you want taken out. Once you agree to remove one part that affects one person, that you believe is unduly restrictive or punitive for any particular individual or group, you have started the process of dismantling the legislation. I am not implying that the bill is a perfect bill. It has been carefully crafted by better minds than mine. I know that you are going to change the bill. That is part of the committee process, and it needs to take place. However, I would caution you against accepting amendments that appear legitimate on the surface, but are designed to weaken the legislation. Once the weakening process begins, you will not be able to stop it, and you will have missed the opportunity to be part of a great thing.

If you pass a weak bill that tweaks the current laws and puts some additional requirements on lobbyists, that are for the most part meaningless and look good in print; nothing bad is going to happen. The public will be satiated for a year or so, until they realize that you actually didn't do anything, then they will be mad again. Everything will go right on the way it always has in Topeka, and nothing very bad is probably going to happen to anyone. And you will have lost an opportunity. We will all be a little more sad. We will all feel a little more defeated, but we will go on. And no one will even remember that in 1996 we had a chance to do something great and we couldn't pull it off.

Thank you Madame Chair. I would be happy to answer any questions.

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Thank you Madam Chair. I would be happy to answer any questions.

ST. PETERSBURG TIMES

Tampa Bay&State

SECTION B

SUNDAY, DECEMBER 31, 1995

Lawmakers often were lawbreakers in '95

■ Back taxes, bad checks, battery charges and bogus phone calls made 1995 an embarrassing year in the state capital.

By DIANE RADO
Times Staff Writer

TALLAHASSEE — Robert Harden wrote bad checks, dropped from sight and resurfaced in a psychiatric ward.

William Myers didn't pay his federal taxes and the IRS went after him.

William Turner was accused of punching his wife and got arrested for battery.

These aren't characters in a nighttime soap or cop show:

They make laws in Florida. They approve the state budget. They represent residents as state senators.

And they weren't the only lawmakers in trouble this year.

Veteran politicians agree that 1995 was a banner year for bad headlines and voter disillusionment with elected officials.

Nearly one-quarter of the Florida Senate — nine of 40 members — made the news for one controversy or another, from alleged criminal conduct to questions about ethics.

THE YEAR IN SCANDAL

And scandal reached the halls of the governor's mansion, where Gov. Lawton Chiles' campaign was exposed for lying about misleading phone calls made to senior citizens during the 1994 election.

"It was not a good year for public perception of public officials — it was bipartisanly scandalous," said Rep. Jim King, R-Jacksonville, who has been in the state House nearly 10 years.

Mary Baker, one of the senior citizens who helped expose the phone calls and deception by the Chiles campaign, put it this way at a recent hearing in Tallahassee:

"The coverup is one of the reasons the general public holds most politicians in the same category as used-car salesmen," she said.

Bix Jahn is insulted. He has been a manager of a used car lot in Tallahassee for a decade and began selling cars to help put his wife through college.

"I will let a salesman go if I have any idea he's lied to a customer," Jahn said. "I'm proud of what I do and I bend over backwards for people."

Comparing used-car salesmen to politicians is "absolutely amazing," he says.

Good beginning

Senate Republicans had an amazing start in 1995 — they had just made history by gaining control of the Senate; they pushed through a conservative budget; they passed crime legislation that lawmakers could boast about back home.

But after the legislative session ended, most of the controversy began, keeping Senate President Jim Scott busy handling a public relations nightmare.

Please see **LAWMAKERS** 7B

Lawmakers

from 1B

"It made a lot of heartache and extra work for me," he says now.

News stories were cropping up all over the state.

In South Florida, Alberto Gutman, the Miami Republican who leads the high-profile Senate Health Care Committee, was accused of conflict of interest and possible unlawful conduct for trying to broker the sales of HMOs. State and federal authorities began investigating. Gutman resigned from the committee, a move Scott said "took some time and some working through" with Gutman.

Sen. William Turner, D-Miami, was accused of battery after police found blood dripping from his wife's nose. Turner, a former school board chairman, said he was defending himself. Prosecutors agreed to drop the misdemeanor charge after Turner said he would attend six months of domestic violence counseling.

On the east coast, Sen. William "Doc" Myers, a physician who plays a lead role in allocating money for human services, was having budget problems of his own. The Stuart Republican acknowledged owing more than $40,000 in back taxes to the federal government. He agreed to turn over his Senate paychecks to the IRS.

In North Florida, Sen. Robert Harden, R-Fort Walton Beach, was in trouble too. Prosecutors said he wrote three bad checks to a Publix grocery store during the legislative session.

The situation deteriorated. Harden was nowhere to be found — even his staff said they hadn't heard from him. Authorities couldn't serve a summons for a court appearance on the worthless check charges.

Harden's mother had him involuntarily committed to a hospital for a psychiatric evaluation. He was released with a prescription for Prozac, an anti-depressant, then held a tearful news conference to announce a longtime struggle with depression.

THE YEAR IN SCANDAL

1995 was a year marked by controversy, from the governor's mansion to the halls of the Florida Senate and House of Representatives. Here's a snapshot of who made the news and why:

Chiles

MacKay

Gov. Lawton Chiles and **Buddy MacKay**.....caught up in scandal over misleading phone calls to senior citizens in 1994 campaign.

Sen. Robert Harden, R-Fort Walton Beach....mysteriously disappeared. Involuntarily committed by his mother to a psychiatric ward. Dogged by financial troubles and wrote bad checks.

Sen. William "Doc" Myers, R-Stuart... forced to turn over Senate salary to IRS to pay back taxes.

Sen. William Turner, D-Miami....arrested on battery charge after police say he punched his wife. Agreed to attend domestic violence counseling.

Sen. Alberto Gutman, R-Miami... investigated by state and federal authorities and accused of shaking down a health maintenance organization for $1 million. Resigned from the Senate Health Care Committee, which he chaired.

Sen. George Kirkpatrick, D-Gainesville...Prompted complaints of conflict of interest by taking top job representing private colleges while retaining chairmanship of Senate Higher Education Committee. University of Miami quit private group in protest.

HOUSE GOVT ORG & ELECTIONS
February 22, 1996
Attachment 1-9

In Central Florida, Sen. George Kirkpatrick, D-Gainesville, created a furor by accepting a top job with a group that represents private colleges. Critics were astonished by what they perceived as a serious conflict of interest — Kirkpatrick was still chairman of the Senate's Higher Education Committee, which oversees both public and private universities. The University of Miami eventually dropped out of the private group in protest.

Kirkpatrick said an opinion from state ethics officials allowed him to serve in the two roles without creating a conflict.

Scott remains concerned because Kirkpatrick relied on an old opinion rather than a new review of his case.

"I'm not satisfied with what happened there," said Scott, adding he would like to set up some "required way" for senators to get opinions on ethical matters. In the meantime, Kirkpatrick's situation will "require careful conduct (on the senator's part) that will be carefully scrutinized," Scott said.

Although he would not be specific, Scott said he also wants to pursue other ways to improve the public's perception of politicians.

"There's no question that there's an image problem for people in public office at all levels," he said. "We need to work on that and that's going to be one of my New Year's resolutions."

Kill the messenger

Some say the media are to blame.

"There seems to be more intrusion into personal lives (of lawmakers) over things that don't relate directly to them being a good or bad legislator," said King, the Jacksonville representative.

"If my car is repossessed, does that reflect on my ability to make law?" he asked. "The line (on what makes news) has definitely moved."

State Comptroller Bob Milligan, a retired three-star Marine general who is a newcomer to Florida politics, said the media tend to focus on the bad, fueling the negative perception of politicians.

"They don't recognize all the people doing the good things," Milligan said.

But media coverage, good and bad, is part of life for a politician, others say.

"You don't go into this field unless you understand that," said Sen. Charlie Crist, R-St. Petersburg, who was cautioned about going into politics by his parents. "It's not exactly a profession held in high esteem," he recalls them telling him. Crist's father was a longtime member of the Pinellas School Board.

Crist brought to light another political scandal this year — the phone calls made to senior citizens in the waning days of the 1994 campaign. Seniors were told that the calls, which criticized Chiles' opponent, Jeb Bush, were made on behalf of two organizations rather than by the Chiles campaign.

As chairman of the Senate committee that oversees ethics and elections matters, Crist had his staff try to find out what really happened. After a year of denials, officials of the Chiles campaign were forced to admit they made the calls.

House Speaker Peter Wallace, D-St. Petersburg, doesn't defend the calls, but he says he is saddened by the controversy because it has overshadowed the good things Chiles has accomplished.

Wallace said he thinks opening up the process to the public would help.

"Shedding more light on the process," he said, "will to some degree force members to a higher standard in their conduct."

Sen. John Grant, R-Tampa...Criticized for serving on an insurance company board while chairman of Senate Insurance Committee. Resigned from board. Subsequent state ethics review found no conflict.

Sen. Ken Jenne, D-Fort Lauderdale...Acknowledged trying to influence governor's office on appointments to hospital board that his law firm represents.

Sen. Charles Williams, D-Tallahassee...Hosted dove hunt in north Florida that brought uninvited guests: federal agents. Hunters told they were on a baited field, which is illegal.

State Sen. John McKay, R-Bradenton...Hired accountant to review legislative office books after questions raised about expense reports that appeared to be inflated. Auditor found no improprieties.

State Rep. Jack Tobin, D-Margate....Organized lobster dinner paid for by telephone lobbyists on the eve of vote that could benefit phone companies. More than 40 lawmakers wined and dined.

State Rep. Alex Diaz de la Portilla, R-Westchester...Found in contempt of court and threatened with jail term for failing to comply with election laws on campaign financing. Paid fine to avoid jail.

Source: Times research

Times art

THE KANSAS CITY STAR.

SUNDAY, July 17, 1994

Lawmaker's conduct questioned

House speaker denies accusations he violated any laws in a dispute over the Parkville riverboat casino

By JOE STEPHENS
Staff Writer

Missouri House Speaker Bob Griffin last year demanded that a Las Vegas corporation give a $16 million share of its proposed Parkville casino to a group headed by a political fund-raising company that worked on his campaign.

Griffin, who said he was acting as a paid private attorney, repeatedly told the Sahara Gaming Corp. that it must give the $16 million share to his clients or risk problems obtaining a state license for the casino.

The speaker's demand came during a dispute with Sahara over how much it should pay the fund-raising company, Public Issue Management Inc., and Kansas City lawyer Byron Fox for lobbying and research in Parkville.

His intervention came just weeks after he and fellow lawmakers approved sweeping revisions in Missouri gambling statutes. Those statutes bar public officials from direct financial ties to the state's emerging casino industry.

In an interview, Griffin denied doing anything illegal or improper. Critics, however, said it appeared Griffin may have violated the statutes — and that his actions also were highly unethical. A legal expert, however, said that Missouri's gambling law is so new and untested that it is unclear whether it applies to Griffin's actions.

Whatever the legal consequences, during the negotiations Griffin repeatedly referred to problems Sahara might have obtaining a Missouri gaming license if the company did not provide his clients with 20 percent ownership of the casino operation — or instead pay them as much as $16 million.

In a Sept. 9 letter, Griffin told Sahara that if the company resolved the dispute with his clients it would "not become an obstacle in the licensing process." Dragging out the dispute, he wrote, "will obviously not be conducive to the prompt issuance of a license."

And at a third point in the letter, Griffin wrote that providing 20 percent of the casino project to his clients "will enhance the opportunity for licensing."

Griffin said in an interview that his wording referred only to potential administrative hurdles.

But Sahara Chairman Paul Lowden

See **GRIFFIN, A-6,** Col. 1

Bob Griffin
. . . denies wrongdoing

Continued from A-1

char[illegible]at Griffin and others involved in the negotiations relied on veiled threats and political intimidation in their correspondence with the company.

In fact, Lowden called Griffin's actions "greenmail, blackmail, whatever you want to say."

During a monthlong examination, *The Kansas City Star* conducted dozens of interviews with people knowledgeable about the dispute. The interviews and the Sept. 9 letter show:

■ Griffin told Sahara's lawyers in letters, telephone calls and at least one meeting that Public Issue Management Inc. and its associates demanded ownership of one-fifth of Sahara's Parkville operation, an interest valued at $16 million.

Public Issue Management, commonly called PIM, is a Kansas City-based consulting and fundraising company that has worked for Griffin's political committee. The corporation is owned by Cathryn Simmons, one of Griffin's friends and a longtime political ally.

Griffin argued in the negotiations that Sahara had promised the ownership interest to PIM for the company's help in selling a proposal to Parkville city leaders. Sahara officials contend they had already paid PIM $30,000 plus expenses for its work and that they only mentioned the possibility of a small ownership interest.

■ Although Griffin said he acted as a private attorney in the negotiations, Sahara executives said his first letter to their lawyer concluded with Griffin's signature over the capitalized words, "BOB F. GRIFFIN, SPEAKER."

And in a subsequent letter, they said, Griffin pointed out that he had just returned from a trip to China with Missouri Gov. Mel Carnahan and state Sen. Jim Mathewson. Sahara's information was confirmed by an independent source.

Griffin said the reference was not an attempt to flex political muscle. And he said he could not explain why his first letter identified him as speaker.

"There's no point in having that on there," Griffin said.

■ Griffin's list of proposed owners for the casino included people that Lowden said he had never heard of and who he believes did no work on Sahara's Parkville project.

Simmons said Lowden shouldn't expect to recognize the names, or for them to have worked for the company. It was up to PIM, she said, to divide the promised 20 percent ownership as it wished.

■ Also on the list were Fox and Las Vegas attorneys Oscar Goodman and David Chesnoff. All three lawyers are known for representing accused mobsters.

In recent years, each of the lawyers has been subpoenaed to testify before federal grand juries investigating suspected mob activities. Goodman and Chesnoff refused to testify and were held in contempt of court.

In addition to his criminal defense work, Fox sits on Kansas City's Board of Zoning Adjustment and once defended Mayor Emanuel Cleaver on charges that he violated ethics rules.

■ Sahara officials said they were so disturbed by Griffin's intervention, and by the names on the list of proposed business partners, that they provided copies of Griffin's letters to the FBI and the Missouri Gaming Commission.

Officials at the agencies declined to comment, but other sources independently confirmed that the agencies are looking into the Sahara dispute. Griffin said he has not been contacted by investigators and was unaware if he is under investigation.

Griffin acknowledged that he negotiated with Sahara last year on behalf of Fox and PIM. But he said he acted as a private lawyer and withdrew shortly after Sahara officially submitted an application for a Missouri gaming license.

And Griffin denied that his Sept. 9 letter implied that Sahara would increase its chances of winning a Missouri gaming license if it paid off his clients.

"There was nothing improper in my representing these people in the dispute they have," Griffin said. "My being speaker had nothing to do with whether or not they got a gaming license.

"And whether they agreed to settle the dispute or not didn't have anything to do with whether or not they could get licensed."

Gaming licenses are granted by the Missouri Gaming Commission, which has wide discretion to reject applicants. Griffin and his fellow lawmakers created the commission in April 1993. Gaming commissioners are appointed by the governor, with the advice and consent of the Se[illegible]

Sahara applied for a gar[illegible]-cense on Sept. 20, in the mi[illegible]of its dispute with PIM.

Sahara owns four casino hotels in Nevada and manages two casinos in Mississippi. It hopes to dock a riverboat casino in Parkville if it wins a license and if Parkville voters authorize gambling in Aug. 2 balloting.

House Minority Leader Pat Kelley, Lee's Summit Republican, called Griffin's actions clearly unethical and possibly illegal.

"It's atrocious he would be involved in the thing at all," Kelley said. "It looks horrible."

Kelley said lawmakers drafted Missouri's gambling statutes with the intent of barring any personal involvement by elected officials.

"The impression I had was that we weren't supposed to touching this stuff," Kelley said of legislators. "We were supposed to be completely out of it."

Tom Mericle, executive director of the public interest group Common Cause of Missouri, agreed. After a reporter read him the text of Griffin's Sept. 9 letter, Mericle responded:

"He was clearly using his position as speaker of the House to threaten and to coerce this other party. That is very clear in the letter.

"The speaker of the House can't do that as a private individual. It is clearly wrong."

Mericle said the letter violated the spirit of Missouri ethics laws.

"You don't use your position in government to help people for personal gain," he said. "There is no question about it. This isn't a gray area; this is clearly a black area."

Proposed owners on 'team'

Negotiations between Sahara and PIM stretched from February 1993 through last fall. Neither Lowden nor Griffin would release copies of the letters they exchanged during that time.

But *The Star* obtained a copy of Griffin's Sept. 9 correspondence to Sahara's lawyer.

The two-page letter was typed on Griffin's law office stationery. It bears Griffin's signature, but the signature was actually handwritten on the page for Griffin by a secretary with the initials "J.E."

Lowden said he was stunned when he read Griffin's choice of words.

"There is no way you would

terpret the meaning of this ," said Lowden, who also is chief executive officer and majority owner of Sahara. "I would not read it any other way but to imply something sinister.

"Why would you even bring up a licensing issue in that context?"

Griffin's letter also lists 10 proposed partners in the casino project, with proposed ownership shares ranging from 0.5 percent to 4.95 percent of the operation. Anyone who owns 5 percent or more is automatically subject to an extensive background investigation by the Gaming Commission.

"It's shocking," Lowden said. "There are names on this list we've never even heard of."

Among the proposed casino partners: PIM; former Clay County Commissioner Rick Moore; Kansas City mayoral aide Kevin Smith; Fox; Fox's wife, Cynthia Penner; Fox's law partner, Ron Partee; Fox's law firm, Fox & Partee; Goodman and his law partners Chesnoff and Eckley Keach.

Fox, Goodman and Chesnoff are known for defending accused mob figures in Kansas City and across the nation. Their clients include mobsters convicted of illegal gambling and for skimming from casinos.

Despite repeated requests for interviews, none of the three returned telephone messages left by *The Star*. Keach also failed to return telephone calls.

Simmons said she had no idea whether all the 10 proposed owners had worked directly on Sahara's proposal. But they all were part of PIM's gaming "team," she said.

"Why does Paul Lowden care?" Simmons asked. "He's spending a small percentage (to secure) a very valuable project."

Simmons acknowledged that the proposed ownership percentages were set to fall beneath the 5 percent threshold that requires licensing and a background investigation. But the goal was to speed up licensing for Sahara, she said, not to avoid an investigation.

Sahara officials said they also received three other letters bearing Griffin's signature.

In a letter dated July 12, 1993, Lowden said, Griffin wrote, "My clients insist that your clients recognize . . . their 20 percent interest in the project." Griffin valued the one-fifth ownership at $16 million, Lowden said.

The contents of the letter were confirmed by an independent source..

"That's really scary, (just) the thought of that," Lowden said of Griffin's intervention. "It's wrong. He should have steered clear of the whole thing.

"You can't have politicians involved, taking sides."

On Oct. 20, shortly after Sahara took its concerns to the FBI, Lowden said Griffin wrote a final letter.

Griffin reportedly wrote: "Realizing that your clients have now made application to the Missouri Riverboat Gambling Commission for a license, I believe that it is inappropriate that I continue to represent my clients in this matter and am therefore advising them to seek other legal counsel."

That letter, Lowden said, was signed simply "Bob."

Once again, Lowden's version was confirmed by an independent source.

The letter made Lowden livid.

"It is inappropriate for him to even represent any interest," Low-

Text of the Sept. 9 letter

September 9, 1993

Dear Mike:

In order to facilitate your client's application for a license to engage in riverboat gambling operations at Parkville, Missouri and pursuant to my client's continuing commitment to do all things necessary to accomplish this endeavor pursuant to their previous agreement with your client; please be advised that you may submit the following names and entities as minority interests in said application and operation, together with the stated percentage of ownership interest, to wit:

1.	Public Issue Management, Inc.	4.95%
2.	Richard Moore	4.55%
3.	Cynthia L. Penner and Byron Fox	2.7%
4.	Oscar Goodman	2.7%
5.	Byron Neal Fox, P.C.	1.00%
6.	Ronald E. Partee	.9%
7.	Fox and Partee	.7%
8.	David Chesnoff	.5%
9.	Eckley M. Keach	.5%
10.	Kevin Smith	1.5%
	Total	20%

Mike, I am not trying to be presumptuous in the foregoing; but Tom is convinced that the facts will establish the foregoing as the basic agreement between the parties and recognition of same by your clients will enhance the opportunity for licensing, which application and appropriate disclosures should be filed with the commission on September 20, 1993. Continued refusal by your clients to recognize this agreement and disclosure of such dispute in the application process will obviously not be conducive to the prompt issuance of a license. The only other alternative cause of action, without litigation, that I can foresee, which would resolve the dispute between the parties and not become an obstacle in the licensing process would be a full and complete buy-out of my client's interests agreed to in this project, which has not been heretofore forthcoming.

My clients will continue to be receptive to a reasonable offer to resolve this matter, without litigation, at the earliest possible date, in whatever fashion that will recognize the true value of their interests in this project.

Very truly yours,

Bob F. Griffin

der d. "It's either morally right or t."

n disagreed. Although Sahara planned to apply for a license from the moment it entered Missouri, Griffin said he saw no conflict until they actually filed the paperwork.

"Once they filed an application with the state, I felt like there might be a suggestion of impropriety since I was a member of the legislature, and we created the Gaming Commission," Griffin said.

"So that there would not be any suggestion that I had any kind of contact with any of the commissioners . . . that's the reason I totally withdrew from the case."

Second in power

Griffin, 58, is a Democrat from Cameron who is serving a record 14th year as speaker.

As speaker of the House in Missouri, he is considered second in power only to the governor. And the speaker also is an ex officio member of the legislature's committee on gaming and wagering, where he is in a position to control legislation that affects riverboat casinos and the Missouri Gaming Commission.

For that reason, Missouri statutes state: "No person who has served . . . as a member of the General Assembly . . . shall, while in such office . . . enter into a contractual relationship related to direct gaming activity."

That is the wording that Griffin and his fellow lawmakers approved in April 1993, just weeks before Griffin began representing Fox and PIM in their dispute with Sahara.

Earlier this year, lawmakers expanded the law to make violations a felony. And under the expanded law, any public official convicted would forfeit his office.

Greg Omer, general counsel for the Missouri Gaming Commission, said it was not immediately clear whether Griffin's involvement fell under the statute. Because the law is new, he said, no one has precisely defined the phrase "direct gaming activity."

Griffin said the wording did not confuse him.

"I feel very comfortable that it doesn't apply," he said.

Griffin said the wording is aimed at legislators who want to own part of a casino themselves. Lawmakers who provide goods or services to casino owners are exempt, he said.

Kelley, the House minority leader, said that if Griffin's actions were legal, then lawmakers should rewrite the laws. Mericle of Common Cause agreed.

"The rules should be changed," Mericle said. "The system is unethical."

Don Wideman, who has led opposition to legalized gambling in Missouri as executive director of the Missouri Baptist Convention, called Griffin's involvement in the dispute "scary."

"Any reasonable person reading (Griffin's Sept. 9 letter) would interpret it as a threat," Wideman said. "It's obviously unethical."

For his part, Griffin called questions about the propriety of his acts "ridiculous."

"I can assure you, nothing improper occurred," Griffin said. "I'm simply working as an individual attorney on behalf of a client, trying to resolve a dispute between two parties.

"And (there was) no coercion of any sort from me as a representative or speaker, other than what coercion I could exert by being a practicing attorney. Which goes on all the time."

Griffin said he entered the negotiations at the request of Simmons, who he said has worked on his campaigns for 14 years. Officially, Griffin said, he represented only PIM and Fox in the negotiations.

Griffin said he also knew Fox personally and had been to political fund-raisers at Fox's law office.

Griffin emphasized that if there were any potential conflict of interest on his part — which he denied — it would have come only after Sahara applied for a license.

"I was involved in the case until — and I emphasize until — such time as they filed or were about to file their application for a license," he said. "And that's when I withdrew."

The only reason he withdrew then, Griffin said, was "so that there would not be any suggestion that I had any kind of contact with any of the (gaming) commissioners."

Griffin added that he did not communicate with the gaming commissioners, or members of the commission staff, during the months he represented PIM. He said he has spoken to gaming commissioners since he withdrew, but never concerning the dispute with Sahara.

Griffin said in his 24 years as a state representative he has always distanced himself from potential conflicts — but added there were none to avoid in this case.

"It's not that difficult to . . . when there is a conflict and when there isn't," he explained.

Griffin speculated that Sahara executives are complaining due only to "sour grapes."

"This is ridiculous, what they are saying to you," Griffin said. "This is absolutely absurd."

Staff writer Kevin Q. Murphy contributed to this article.

February 21, 1996

To: Members, House Government Organization & Elections Committee

From: Harold Riehm, Representing: Kansas Society of Association Executives

Subject: Comments and Observations on H. B. 3000

Thank you for this opportunity to present some KSAE observations on H.B. 3000. We appear neither in opposition or support of the Bill. It would be fair to state, however, that KSAE has some reservations about certain parts of the Bill.

We also note that we have not had sufficient time to review, in detail, all of the Bill's provisions. We also commend all those who prepared the Bill and and obvious effort and work that it represents.

GENERAL OBSERVATIONS

In past hearings on changes in lobbying regulations, KSAE had chosen to offer general comments and encourage individual KSAE members to offer their own views. H.B. 3000 is no exception.

Though KSAE has chosen to be more proactive on lobbying regulation matters in recent years, usually our proposals and responses are based on what we view as some general principles on all lobbying regulations matters. Among them are these:

a. That regulation of lobbying be commensurate with the extent of the problem--actual and potential. Perception, while important, should be tempered by reality.

b. Regulation should be sufficient to keep the process responsible to the public, yet not such as to discourage the orderly flow of information and the rights of all citizens and organizations to seek support for their own views.

c. That all regulatory and registration matters take into account that lobbying is practiced both by large, well staffed organization, and by small, often unstaffed organizations--and by individuals. Emphasis for reporting should be on thoroughness tempered by simplicity. Requirements should be sufficient to control, yet not onerous or burdensome.

While KSAE has always welcomed review and change in lobbying regulation, the concensus among most KSAE members is that the present system, while needing some adjustment, is, by in large, a tested system that has proven its worth and one with which compliance is enhanced by lobbyist familiarity with the rules. Some of the provisions in H.B. 3000 appear to introduce a degree of complexity that

KANSAS SOCIETY OF ASSOCIATION EXECUTIVES
4301 Huntoon, Suite 9 • Topeka, Kansas 66604 • (913) 272-0083

is of some concern. Nevertheless, we welcome this review and want to be a part of its resolution.

OBSERVATIONS ON H.B. 3000

KSAE chooses to comment only on selected lobby regulations, reporting and registration provisions of H.B. 3000. However, this does not imply an absence of interest in the campaign finance sections. KSAE members have often commented that of access to the government decision making systems and the potential for abuse are primary concerns, then campaign finance is a far more "deserving" candidate for examination and change than lobbying regulation.

Neither do we choose to address the "local" lobbying regulation and registration changes in H.B. 3000. We question, though, whether there has been sufficient time since the introduction of H.B. 3000 for local government officials and persons who lobby at the local level to examine and respond to the Bill's changes.

Below are comments and questions that have been raised by members of KSAE. The absence of comments on other provisions of the Bill do not suggest lack of interest, nor that we fully endorse those provisions.

1. In Sec. 21, Page 19, we support the new language of "private gain or benefit" and "present, future, promised or contingent" economic gain as those are made applicable to the $40 aggregate value limit. We also support prohibitions upon language in Sec. 22, Page 21, which adds "arrange for or make any present, future, promised or contingent" economic opportunity . . . or "employment" . . . . The definition of private benefit or gain appears in Sec. 25(b).

2. In Sec. 21 (D), Page 20, we support the addition of continuing education seminars to the list of items presumed not to be given to influence, and thus not subject to the dollar limitation. KSAE has long requested such a change.

3. We support the expanded definition of "lobbying" that appears in Sec. 26, Page 22.

4. We question the need for differentiation of lobbyists, Sec. 29, Page 24, into two categories: "registered advocates" and "certified lobbyists". We think most of the provisions listed as required of "certified lobbyists" should apply to all lobbyists--advocates or certified. This is especially true for many of the itemized provisions on Page 25, i.e., present only accurate and truthful information, obey laws and regulations regarding lobbying, false representations, etc. While we are aware of some of the reasons for differentiation, we question whether this is the appropriate way to accomplish these ends.

5. We support the "disclosure of employer or client: provisions in Sec. 21, Pages 24-27. KSAE has previously requested expanding registration requirements to more fully disclose name and identification of employers, etc.

6. While we are in general support of the "lobbyists' Code for Professional Responsibility, Sec. 30, Pages 27-30, we would welcome the opportunity to more fully explore and examine with you the contents of the "Code" in a time frame that permits careful review and consideration.

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February 22, 1996
Attachment 2-2

There exists, we think, among lobbyists an understanding of fairness and obligation that dictates behavior. Curiously, this Sec. does not address what happens if a lobbyist violates a part of the "Code", though it does have an "informant" feature for reporting to the Commission on Govt. Standards and Conduct by one lobbyist on violations by another (Page 30, Lines 37-41). Enforcement of Subsection (f), Page 29, regarding excessive fees, is a case in point. Who makes such decisions and what is the penalty for violation?

7. We question some of the expanded reporting requirements found in Sec. 33, Pages 32-36. We particularly have reservations about Subsection (J) on Page 33, which appears to require a catch-all provision requiring reports and records on almost everything used by a lobbyist, including office supplies. (Also see lines 38-42, Page 34)

   Here, again, we emphasize the widely ranging capabilities of groups and individuals to comply. Lack of staff is not an excuse to oppose this provision, but a request for simplicity whereever possible seems in order.

8. We are curious as to what circumstances would prompt use of the AFFIRMATION OF TESTIMONY provisions in New Sec. 62, Page 51. Again, our comment is that of critical importance to lobbyists is the retention of credibility as perceived by those with whom we interrelate. Even a suggestion of unacknowledged or incomplete or erroneous information strikes at the heart of our effectiveness. We question whether an "Affirmation of Testimony" is necessary.

CONCLUDING COMMENT

As Legislators, you are often told that what is important is "perception". This apparently suggests that the public is of the perception that it is being done a disservice in the way lobbyists perform and interact with decision makers. Perception is important, of course, but for many KSAE members who believe the system is far more honest and direct that those negative perception comments suggest, we urge that action based upon perception be conditioned by your own experience of how the system works in reality. We realize the sensitive nature of lobbying and the milieu in which it is practiced. We also pledge to work with you in seeking appropriate and effective regulation measures.

Thank you for this opportunity to appear. We stand available for questions.

HOUSE GOVT ORG & ELECTIONS
February 22, 1996
Attachment 2-3

Kansas AFL-CIO

2131 S.W. 36th St. Topeka, KS 66611 913/267-0100

Testimony Presented To
House Governmental Organization and Elections Committee
on House Bill 3000
by
Connie Stewart

Madam Chairperson, members of the committee, I thank you for the opportunity to appear before you on House Bill 3000. My name is Connie Stewart and I am here today representing the thousands of members of the Kansas AFL-CIO and their families.

We are not exactly an opponent of this bill. Some things in the bill I imagine would be good. However, we do have serious concerns about the bill, not the least of which is that this is an extremely lengthy and complicated piece of legislation. So much so that we are concerned about the bill being rushed through the process, due to committee deadlines, without enough time for everyone to understand all of the ramifications.

Specifically, we are very concerned about Sec. 3, subsection (2) (A), page 4, line 14 through 17 which states, "Contribution does not include: The value of volunteer services provided without compensation, *except for the value of volunteer services provided or arranged for by a lobbyist or political committee;*" Our organization and our affiliated local unions have for many, many years emphasized the importance of grass roots involvement in the political process. We believe that is the very cornerstone of democracy. Indeed, in this time of voter apathy and with the distrust of the political system which exists in this country, grass roots involvement should be encouraged more than ever. That is how people learn how our system works, and perhaps more important, why it works that way. It is how the individual makes his voice heard in the process.

As an organization, we practice what we preach. We actively encourage our members to volunteer their time to work for the candidates that those members have endorsed, and frequently arrange for volunteers for specific campaign activities. Our interpretation of this section is that this would have to be considered an in-kind contribution, even though our members are not paid, they are volunteering on their own time. We do not threaten those volunteers to get them to volunteer. We can't force them to volunteer. Instead, we have many volunteers throughout the state who give freely of their time to participate in the

political process. We are proud of those volunteers. For them, I take some offense at the notion that because they are volunteering through an organization that is also a registered PAC or lobbyist or both, that we somehow taint their services.

We are also very concerned about Sec. 2, subsection (j), page 3, which states "*No political committee shall accept, make, offer to make or solicit any contribution from any other political committee.*" This is related to the questions that Representative Horst raised yesterday. The way that most local unions' political contributions are handled is that the local unions solicit contributions from their members, but they then pass those contributions through to their international PAC, generally with the understanding that they will return a portion of the money to them for their use in state campaigns. Under this section, we are concerned that if the local is registered as a PAC, as many are, they might not be able to send the money on to their international, or if they could, they probably couldn't get any back even though they raised the money.

We also have some concerns, although less serious, about some of the sections relating directly to lobbying. I must confess we aren't sure we fully understand all of it, so I won't address those specifically at this time. I will raise some questions. On page 24 in Sec. 29 dealing with the information a lobbyist must furnish when they register, on line 38 it says *the full name and address of each represented person represented by such lobbyist.* Does that mean that an organization like ours would have to furnish the names and addresses of the over 90,000 members we represent? On page 25, line 36 where it says before lobbying we must file an authorization by the represented person, again are we expected to have a signed authorized by all of those 90,000+ members? On that same page, on line 2, it says we will state the purpose or purposes for which each lobbyist intends to lobby. How do we anticipate in advance all of the legislation we might need to lobby on, when we don't know what you as legislators might choose to introduce? I don't know the answers to these questions, but I think they and many others need to be answered and the practicality considered before acting on this legislation.

Let me close by saying that we understand there is a perception out there that lobbyists and "special interests" wield too much influence in the legislative process. We know that this kind of legislation is an attempt to address that perception. Ethics reform is undeniably a hot issue. However, perception is not necessarily fact and hot issues should always be handled with caution. Misconceptions abound in today's political climate, and while we understand the desire to improve the public perception of the legislative process, we feel complicated legislation like this requires more time than the approaching deadline allows to achieve a workable bill.

Thank you.

HOUSE GOVT ORG & ELECTIONS
February 22, 1996
Attachment 3-2

STATE OF KANSAS

KANSAS DEPARTMENT OF TRANSPORTATION

E. Dean Carlson
Secretary of Transportation

Docking State Office Building
Topeka 66612-1568
(913) 296-3566
TTY (913) 296-3585
FAX (913) 296-1095

Bill Graves
Governor of Kansas

TESTIMONY BEFORE THE
HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION
Regarding H.B. 3000
Relating to Governmental Ethics and Conduct

February 22, 1996

Mr. Chairman and Committee Members:

I appreciate the opportunity to appear before this Committee regarding H.B. 3000. The Department of Transportation has several concerns about this proposed legislation.

We firmly believe State employees should conduct themselves ethically. We also agree that clear standards, such as those in Governor Graves' Executive Order 96-1, governing the ethics and conduct of public officers and employees are needed. In large part, H.B. 3000 addresses campaign finance and lobbyists' activities; issues which do not affect state agencies. However, the following sections are of concern. We are uncertain how those sections will be interpreted and applied, but if interpreted in certain ways, they could create administrative problems for the Department.

- Section 14 would be expanded to refer to public property rather than only public money. Our uncertainty revolves around work we may do to assist local governmental units, other state agencies, or community organizations.

- Section 16 relates to the report that has to be filed with the Secretary of State's office for any reimbursable travel of more than 50 miles. Our concern is that this requirement would generate extensive additional paperwork for a situation where documentation is already available.

- Sections 17 and 18 relate to procurement. Our concern stems from uncertainty about how our negotiated procurement processes would be affected.

- Section 60 would prohibit supervision or management of any family member. Our concern is that individuals whose span of authority is great could not have relatives working anywhere in the agency. It is not unusual within KDOT for related individuals to work within the agency, although we certainly adhere to the current rules governing direct supervision of family members. Under a broad interpretation of the proposed changes, it would be difficult for us to staff some smaller offices, due to family relationships in the community.

We are also uncertain how other sections in the bill would be interpreted, but the examples cited above provide an indication of the sort of concerns we have. Thank you for the opportunity to share these concerns.

HOUSE GOVT ORG & ELECTIONS
February 22, 1996
Attachment 4-2

STATE OF KANSAS

KANSAS DEPARTMENT OF TRANSPORTATION
Docking State Office Building
Topeka 66612-1568
(913) 296-3566
TTY (913) 296-3585
FAX (913) 296-1095

E. Dean Carlson
Secretary of Transportation

Bill Graves
Governor of Kansas

February 22, 1996

The Honorable Carol Dawson, Chairperson
House Committee on Governmental Organization and Elections
Room 171 West, Statehouse
Topeka, Kansas 66612

Dear Representative Dawson:

I am writing in follow-up to my testimony in your committee this morning. That testimony pointed out the Department's concerns and uncertainties about Sections 14, 16, 17, 18, and 60 of H.B. 3000. Since there was no opportunity for questions and answers to further explain these sections and address those uncertainties, Representative Nichols called me after the hearing. We met and discussed those sections, and he provided a full explanation of the definitions involved, as well as each section's intent. After that visit, it no longer appears that Sections 14, 17, and 18 would affect the Department, and therefore we no longer have a concern about them.

In discussing Section 16, which relates to the reporting of reimbursable travel over 50 miles, Representative Nichols indicated that the intent of this section was to identify travel that may be questionable. We understand that some change might be considered to reduce the volume of reporting needed for nearly all state employee travel.

We also remain concerned about Section 60, which deals with the supervision and management of family members. The Department still feels that amending this section to include the management of family members would cause major problems within KDOT and other state agencies. As I pointed out this morning, a very similar law was passed several years ago. That law was reversed the following year because of the problems that resulted.

In summary, after discussing H. B. 3000 with Representative Nichols this morning, my opinion is that this bill will not harm KDOT, with the exception of Sections 16 and 60. Thank you for allowing me to clarify the Department's concerns.

Sincerely,

W.M. Lackey, Assistant Secretary and
State Transportation Engineer

cc: Representative Britt Nichols

HOUSE GOVT ORG & ELECTIONS
February 22, 1996
Attachment 4-4

DATE: February 22, 1996 — **Government Organizations & Elections**

Sara Ullmann, Register of Deeds
Johnson County, Kansas

House Bill 3000

We have reviewed the provisions of H.B. 3000. The Bill is very comprehensive, and we are sure that it is intended to serve very legitimate purposes. However, we are concerned specifically with Section 7 (on pages 10 and 11) and Section 37 (on page 37). Those two provisions, we believe, unfairly burden and restrict local governments in the performance of their responsibilities. We are, therefore, opposed to those provisions, as drafted, and would request that this Committee remove those provisions from the Bill or reject the Bill as drafted.

We are very concerned with the manner in which these specific provisions, Section 7 and Section 37, have been proposed and presented to this Committee. Without doubt, those two provisions will have major impacts upon local governments and their ability to relate with both this legislature and state executive branch governments. Those relations, we believe, should be strengthened and more open - not more restrictive and segregated. We were not consulted nor advised of its proposal.

We assume that the Bill and even these provisions, Section 7 and Section 37, were intended to serve some purpose. We will gladly sit down and discuss with some group the best ways to attain that purpose and yet still provide means for local government to address its issues at the State level and to build stronger relationships throughout the levels of government.

Clearly, the State legislature will continue to enact laws that directly govern and

empower the local governments, and State agencies will continue to administer actions directly relating to local government. We, then, must have some means to address those issues from our perspective. Section 37 unfairly limits that process.

Likewise, Section 7 raises more questions than it answers. Local governments must be able to inform the public on all issues. Indeed, we are required to do so. To place artificial barriers in the way of informing the public is not responsive to the needs of government or the citizens.

We are sure that there are solutions to all of the questions and differences of opinion. We ask that you allow us to work with you - or some subcommittee - that can best find those solutions that work for local government as well as State government and for the people of Kansas.

This Bill, specifically Section 7 and 37, needs to be reconsidered. We ask that you not act favorably on HB 3000, with those two sections, as drafted.

Thank you.

HOUSE GOVT ORG & ELECTIONS
February 22, 1996
Attachment 5-2