



# IN COMPLIANCE

HOLTZMAN VOGEL'S MONTHLY ROUND-UP



## ***President Trump Directs Attorney General to Investigate ActBlue***

On April 24, President Trump **issued a memorandum** to Attorney General Pam Bondi directing her “to investigate allegations regarding the unlawful use of online fundraising platforms to make ‘straw’ or ‘dummy’ contributions or foreign contributions to political candidates and committees, and to take all appropriate actions to enforce the law.” The order is aimed at ActBlue, the Democratic Party’s online fundraising platform, and notes that “[a] recent House of Representatives investigation revealed that a platform named ActBlue had in recent years detected at least 22 ‘significant fraud campaigns’, nearly half of which had a foreign nexus. During a 30-day window during the 2024 campaign, the platform detected 237 donations from foreign IP addresses using prepaid cards, indicating that this activity remains a pressing concern.”

The U.S. House of Representatives’ **investigation into ActBlue’s practices** has been led by Representative Bryan Steil, the Chairman of the Committee on House Administration. The matters referenced in President Trump’s memorandum were first detailed in a **joint interim staff report** issued by the Committee on House Administration on April 2.

## ***FEC Commissioner Allen Dickerson Resigns; Agency Loses Quorum***

Republican FEC Commissioner Allen Dickerson resigned from the agency effective April 30, 2025. Dickerson's resignation leaves the FEC with only three Commissioners, short of the four required by statute to conduct most business. Republican Trey Trainor and Democrats Shauna Broussard and Dara Lindenbaum remain, although Lindenbaum is the only one of the three serving an unexpired term.



The FEC has now lost three Commissioners since the beginning of the year. Sean Cooksey **resigned** in mid-January, and Ellen Weintraub was **removed** by President Trump in early February. President Trump has not yet nominated any replacements, although **comments made by Commissioner Trainor** indicated the White House could move quickly to restore the FEC's four-Commissioner quorum.

The FEC experienced an extended period without a quorum just five years ago, during which time the agency was unable to resolve enforcement cases, issue advisory opinions, authorize defense in litigation, advance audits, or adopt new regulations. The FEC had only three Commissioners from late August 2019 – May 2020 and again from July 2020 – December 2020. Following the confirmation of three new Commissioners in December 2020, the agency began working through its significant backlog and gradually returned to its normal functions.

While the FEC will be without a quorum for an unknown period, all campaign finance laws and regulations remain in effect, and committees must continue to file all required reports.

## ***North Carolina Supreme Court Election Fight: "Bloodless Coup" or Election Administration Snafu?***

Drew Watkins and Daniel Bruce wrote on **North Carolina's Supreme Court election battle** for The Federalist Society blog. They note that "[m]ore than five months after the November 2024 election, the race for Seat 6 of the North Carolina Supreme Court remains uncalled. After a full count of the votes, machine recount, and partial hand recount, incumbent Justice Allison Riggs, a Democrat, currently leads her Republican challenger, North Carolina Court of Appeals Judge Jefferson Griffin, by 734 votes." At issue are roughly 60,000 ballots cast linked to incomplete voter registrations, 5,500 overseas votes that were received without required photo identification, and 267 ballots cast by persons living overseas who have never lived in North Carolina, but whose parents once did. Both federal and state courts have weighed in on the matter, and it is still unclear how and when the matter will finally be resolved.

## New State Legislation

### ***Kansas Increases Contribution Limits and Allows Unlimited Party/Candidate Coordinated Spending***



Kansas adopted legislation to **increase its contribution limits** to candidates and eliminate limits on party spending that is coordinated with its candidates. Contributions to the Governor and Lieutenant Governor are now capped at \$4,000 per election from donors. Candidates for state House of Representatives may now accept up to \$1,000 per election, and state Senate candidates may accept up to \$2,000 per election. The contribution limit to a state political party committee was raised from \$15,000 per year to \$35,000 per year. The new law allows state political parties to make unlimited expenditures in coordination with their candidates.

In a **separate measure**, the legislature adopted a new definition to govern coordinated spending. The term “cooperation or consent” is now defined as (i) an express advocacy expenditure that is created, produced, or distributed at the request or recommendation of a candidate, candidate committee, or party committee, or (ii) an express advocacy expenditure that is created, produced, or distributed at the recommendation of a person who is paying for such express advocacy and the candidate, candidate committee, or party committee assents to such recommendation. Several exceptions that generally align with FEC regulations apply. The state also adopted modifications to its definition of “political committee” which clarify and limit the application of that term.

Both bills take effect on July 1, 2025.

### ***Arkansas, Indiana and Kentucky Prohibit Foreign National Contributions to Ballot Questions***

Arkansas, Indiana, and Kentucky approved new laws to prohibit foreign nationals from making political contributions in connection with state ballot measures.

In Arkansas, the **new law** prohibits ballot question committees from knowingly and willfully receiving, soliciting, or accepting contributions or expenditures from a prohibited source, which includes foreign nationals and PACs and organizations that accept funds from foreign nationals. Ballot question committees and their treasurers will have new obligations to affirm that they have not knowingly or willfully received, solicited, or accepted foreign national funding. In addition, ballot questions committees must certify when they register that their “preliminary activity” was not funded by prohibited sources. “Preliminary activity” includes conducting polls, drafting ballot question language, conducting focus groups and telephone calls, and traveling in connection with a ballot question. Donors who contribute more than \$10,000 to a ballot question committee must provide an affirmation to the committee’s treasurer that the donor is not a foreign national and has not accepted donations in excess of \$10,000 from prohibited sources within the preceding four-year period. A similar affirmation must be made by any individual, committee, or other entity making an independent expenditure of more than \$10,000 to support or oppose a ballot question.

Kentucky **adopted legislation** prohibited foreign national contributions to ballot measures in late March. The Kentucky law prohibits a foreign national from directly or indirectly making a donation, contribution, or expenditure in support or opposition to a ballot measure. Foreign nationals are also prohibiting from soliciting another person to make a donation, contribution, or expenditure to influence a ballot measure. Kentucky’s law requires affirmations and certifications similar to Arkansas’ requirements.



Under **Indiana’s law**, a foreign national may not make a contribution in connection with a public question (i.e., a ballot measure), and a political committee may not accept a contribution from a foreign national either directly or indirectly. A political committee that engages on ballot measures must take steps to ensure it does not accept a contribution to influence an election on a public question from a foreign national. In addition, political committees that make independent expenditures regarding public questions must certify that they have not accepted contributions in excess of \$50,000 from prohibited sources (including foreign nationals) within the previous four years.



## ***Arkansas Adopts Law Requiring Disclosures from “Representatives of Hostile Foreign Principals” and “Foreign-Supported Political Organizations”***

On April 22, Arkansas Governor Sarah Huckabee Sanders **signed legislation** requiring anyone acting as “a representative of a hostile foreign principal” to register with the Secretary of State. This requirement is modeled on the federal Foreign Agents Registration Act (FARA), which requires agents of foreign principals that engage in certain political and advocacy activities to file disclosures with the Department of Justice. State versions of the law, sometimes referred to as “baby FARA” laws, have become increasingly common in recent years.



Under the Arkansas law, a “hostile foreign principal” includes the governments of China, Russia, North Korea, and Iran, any political party or member of a political party of these four countries, and any business or other organization having a principal place of business in one of these countries. A person who acts as an agent of “hostile foreign principal” and engages in “political activity” must file a registration statement with the Secretary of State disclosing the representation and then file quarterly updates.

Beginning in 2026, foreign-supported political organizations will be required to register with the Secretary of State and file annual activity reports. A foreign-supported political organization is defined as a political party, or other organization that engages in “political activity,” that has received financing from a hostile foreign principal within the past five years.

With respect to both representatives of a hostile foreign principal and foreign-supported political organizations, the act of engaging in “political activity” is a key element of the registration requirement. The term “political activity” is very broad and includes activity that is performed to influence a state agency or public official, a local government entity within Arkansas, or the public within Arkansas with respect to: (1) formulating, adopting, or changing the policies of Arkansas; or (2) electing or opposing a candidate for state or local office , but not including campaign donations.

## ***Kentucky and South Dakota Act to Restrict AI-Altered Election Ads***

On March 24, 2025, Kentucky Governor Beshear signed **SB 4**, which requires a new disclaimer on election advertising that includes certain content that has been manipulated by artificial intelligence (AI). The disclaimer is required on any “electioneering communication” that features a candidate for elected office whose appearance, action, or speech is altered or manipulated through AI technology. An “electioneering communication” includes any communication broadcast by cable, internet, television, or radio, presented on an electronic billboard, made in telephone calls to personal residences, or otherwise electronically distributed that refers to a candidate for state or local office, or a ballot measure, within 45 days before a primary or general election, and is distributed to an audience that includes members of the relevant voting electorate. If an advertisement does not include the AI disclaimer, any candidate for elected office whose appearance, action, or speech is altered through the use of synthetic media may seek injunctive or other equitable relief against the ad’s sponsor.

South Dakota Governor Larry Rhoden signed **SB 164**, which prohibits disseminating a “deepfake,” with the intent to injure a candidate, within 90 days of an election unless a disclaimer is included in the communication stating: “This [image/video/audio] has been manipulated or generated by artificial intelligence.” The new law defines a “deepfake” as “any image, audio recording, or video recording created or manipulated with the use of artificial intelligence or other digital technology that is so realistic, a reasonable person would believe it depicts the speech or conduct of an actual individual who did not in fact engage in the speech or conduct.” There are exceptions for satire or parody, and bona fide newscasts that broadcast a deepfake as part of news coverage.

## ***Idaho Expands Lobbying Laws to Include “Indirect Lobbying” and Require More Frequent Disclosure Filings***

**HB 398** becomes effective in Idaho on July 1, 2025. The new law requires lobbyists to file monthly activity reports and clarifies that lobbying includes “indirect lobbying.” Previously, the state’s definition of “lobbying” included “causing others to make contact with” covered officials to influence legislation. This terminology is typical of language used by many states to regulate grassroots lobbying. Idaho’s amended definition of “lobbying” retains this language, but also adds the term “indirect lobbying,” which is defined as “attempting to influence the opinion of the public with respect to legislation” and “encouraging the members of the public to take action with respect to such legislation.” The term specifically includes “attempts to influence the opinion of the public through email, text messaging, direct messaging, door-to-door solicitation, billboards, television broadcasts, radio broadcasts, online advertising, and social media messaging or solicitation.” “Indirect lobbying” communications must carry a disclaimer indicating who paid for the message, and expenditures of \$100 or more for indirect lobbying efforts must be reported within 48 hours.

## ***Some Recent Holtzman Vogel News Highlights***



**William M. Klimon** and **Patrick Sternal** joined Holtzman Vogel on April 1 and strengthen the firm's non-profit and tax-exempt organization and political law practices. Bill has advised over 700 nonprofit organizations on a range of issues, including many complex nonprofit affiliations, corporate structures, and transactions. Prior to joining Holtzman Vogel, he was senior counsel at boutique law firm and was a member of the tax-exempt organizations group at a well-regarded DC firm for more than two decades. Patrick has advised tax-exempt nonprofit clients for nearly 20 years and served as an attorney in the IRS Office of Chief Counsel, Exempt Organizations, for nearly 10 years.



**Patrice Boyes joined Holtzman Vogel's Florida office** on April 3 to augment the firm's land use and environmental law practices. Patrice has an extensive background in conceptualizing and securing paths for approval on complex real estate projects. She represents property owners, institutional clients, business owners and local governments in state courts and administrative hearings regarding land use and environmental matters, develops strategic solutions to complex permitting and economic development matters, and litigates property rights. In her environmental practice, Patrice assists clients with environmental due diligence and redevelopment, renewable energy, mining operations and dairy industry compliance.



On April 8, Holtzman Vogel **announced the opening of a new office in Nashville, Tennessee.** The Nashville office is being led by **Brandon Smith**, who most recently served as Chief of Staff for Tennessee Attorney General Jonathan Skrmetti. Brandon has an extensive background in government and regulatory affairs, including senior state-level posts across the South and Midwest. Before becoming Chief of Staff, he served as Assistant Solicitor General and Director of Policy and Federalism under former Attorney General Herbert Slatery. Prior to arriving in Tennessee, Brandon worked as a senior policy advisor and counsel to Governor Sam Brownback of Kansas and Governor Matt Bevin of Kentucky. The announcement was recently **profiled by the National Law Journal.**



# HV Making the Rounds

- Mark Pinkert and Mo Jazil presented a Federalist Society webinar on *Diamond Alternative Energy LLC v. Environmental Protection Agency*.
- Joe Burns was quoted in the *Buffalo News* article, "Scanlon asks Board of Elections for opinion on Ryan contribution limits."
- Holtzman Vogel was a proud sponsor of the Republican National Lawyers Association Florida Chapter's Annual Tallahassee Reception. The reception featured Florida Attorney General, James Uthmeier.
- Our Arizona team moved into a new 10,000-square-foot office in the Esplanade in the Biltmore area of Phoenix, providing a collaborative space to meet client needs and support our growing and dynamic team. Andy Gould authored a piece on this expansion in *Greater Phoenix In Business Magazine*.
- Drew Watkins and Daniel Bruce co-authored "NC Supreme Court Election Fight: "Bloodless Coup" or Election Administration Snafu?" for The Federalist Society blog.
- Susan Greene authored "The Mahmoud Khalil Case Isn't Close to Over" for the *New York Law Journal*.
- Kellen Dwyer, Jonathan Fahey and Mark Pinkert led a Federalist Society webinar entitled "IHC Update: Protecting Your Company from the Inside – Analyzing New Administration Policies, Opposing State AG Policies, and Internal Pressures."
- Joe Burns authored "The SAVE Act: Fact v. Fiction" and "Blue States Look to Pull the Plug on Tesla" for the Federalist Society's blog.
- Mark Pinkert spoke at the Miami-Dade Bar Association's Florida Law Con on the topic, "Suing Terrorists and Their Aiders and Abettors."
- Jonathan Fahey appeared on Fox News on topics from immigration to the Google advertisement monopoly suit.
- Jill Vogel presented on key updates and insights in state advocacy at the Hearing Industries Association annual meeting.
- Holtzman Vogel's new Nashville office and partner, Brandon Smith, was profiled by the *National Law Journal*.
- Oliver Roberts was quoted in the *ABA Journal* article, "Class Is in Session: How some law schools are training students in generative AI." Oliver teaches this topic at many law schools.
- Our Phoenix office was proud to sponsor and attend the Arizona Chamber of Commerce & Industry's annual Update from Capitol Hill luncheon.
- Drew Watkins, Dallin Holt, Daniel Bruce, Daniel Tilleman and Caleb Acker were named "Rising Stars" by *Super Lawyers* in Virginia and Arizona.
- *Law360* covered the arrival of Bill Klimon and Patrick Sternal, and Patrice Boyes in "Holtzman Vogel Expands in Fla., DC with Trio of Attys."
- Our anti-terrorism and antisemitism lawsuit was covered by Fox News - "Lawsuit alleges anti-Israel group leaders are 'Hamas' foot soldiers in New York City."

## UPCOMING EVENTS

- May 17 - Daniel Bruce will speak on the topics of campaign finance and election law at the Virginia Federation of Republican Women's conference.
- May 19-22 - Holtzman Vogel is proud to sponsor the American Association of Political Consultants annual Pollie Awards conference. We will sponsor the Republican caucus session. Jason Torchinsky will speak on "Legal Insights for Modern Campaigns."
- May 21 - Oliver Roberts will be a webinar panelist on "The AI Effect: Transforming the Legal Practice of Today (and Tomorrow)" at the Dallas Bar Assoc.



*This update is for informational purposes only and should not be considered legal advice. Entities should confer with competent legal counsel concerning the specifics of their situation before taking any action.*

Please reach out to one of the following compliance partners or your personal Holtzman Vogel contact with any questions.

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