



What went wrong? Lobbyist guilty of misdemeanors for filing False Disclosure forms

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After enjoying meals at two upscale restaurants and attending a Cincinnati Bengals game, John Rabenold found himself in hot water.

What went wrong? Rabenold serves as the vice president of governmental affairs for Access Financial, a Cincinnati-based company that runs Check 'n Go, a payday lender. In his role as the company's registered lobbyist, Rabenold treated lawmakers to the meals and the game in 2009 when the payday lenders were fighting heavy regulations on their industry. The real problem came after Rabenold failed to disclose that he had paid for the meals and tickets for the state officials.

Rabenold's failure to file was discovered when the FBI investigated former State Representatives W. Carlton Weddington and Clayton Luckie. Weddington was found guilty of bribery, election falsification and an ethics violation. Luckie was found guilty of falsifying documents to cover up the fact that he had illegally spent \$130,000 of his campaign funds. Both of them are now in prison.

Rabenold has admitted to two counts of filing a false legislative agent activity and expenditure report, which are both first-degree misdemeanors. He is expected to be sentenced on May 1 in the Franklin County Common Pleas Court on two counts of filing false legislative activity reports.

This case illustrates what can happen to lobbyists who entertain public officials, then fail to disclose that activity. According to Ohio law, all food and beverages provided by lobbyists to legislators or their top staff must be reported. Lobbyists who spend more than \$50 in meals and beverages per reportable individual must identify the lawmaker or staff member. As for gifts, once the value of any gift exceeds \$25, it must be reported.

UPDATE: Rabenold faced up to six months in jail for each count with a maximum

sentence of 12 consecutive months and a fine totaling \$2,000 for his actions. On May 1, 2014, he was fined \$2,000 and given up to three years' probation. Perhaps the biggest penalty of all is the reputational damage he inflicted on himself and his clients.

If you would like more information on what lobbyists need to report, please contact Marjorie Yano at myano@bricker.com or 614.227.8961.