



[Georgia ethics panel files complaints against 13 state lawmaker](#)

The Georgia ethics commission on Thursday announced it had filed complaints against 13 state lawmakers, saying each broke campaign finance laws including, in some cases, not disclosing contributions they received.

David Emadi, the commission's executive secretary, said when he took over earlier this year that he was told lawmakers weren't following campaign finance laws. He said a preliminary audit confirmed that the state representatives and senators may have broken campaign finance laws.

Those who received complaints were [Sen. David Lucas](#), D-Macon; [Sen. Sheikh Rahman](#), D-Lawrenceville; [Sen. Horacena Tate](#), D-Atlanta; [Rep. James Burchett](#), R-Waycross; [Rep. Winfred Dukes](#), D-Albany; [Rep. Pat Gardner](#), D-Atlanta; [Rep. Vernon Jones](#), D-Lithonia; [Rep. Colton Moore](#), R-Trenton; [Rep. Brenda Lopez Romero](#), D-Norcross; [Rep. Steven Sainz](#), R-Woodbine; [Rep. Dexter Sharper](#), D-Valdosta; and [Rep. Mickey Stephens](#), D-Savannah.

A complaint was prepared for an ex-lawmaker, but the name was not released because he had not yet been served with it, as of Thursday. Sources told The Atlanta Journal-Constitution it was former [Rep. David Stover](#), R-Newnan, who resigned earlier this year.

Many of the accusations involve lawmakers who either were late filing campaign reports or didn't file them at all, issues that, in the past, didn't always lead to a formal complaint being filed. Some, such as Gardner, acknowledged errors in their reports, while others, including Lucas, recently filed new reports.

Others involve lawmakers who filed reports that said they received and spent no money, took contributions during the legislative session — which is illegal — or took contributions in excess of the legal limits.

Many lawmakers receive the bulk of their contributions from special-interest political action committees and business associations with interest in legislation, so ethics staffers were able to

find contributions that had been given to lawmakers, even though they reported receiving nothing.

PACs and other groups file regular reports disclosing what they contribute.

Emadi told the commission Thursday, “It is an incredible violation of public trust if the violations did occur.”

On Aug. 30, Sharper sent a handwritten response to the commission, saying he has not held a fundraiser or had expenses during the time periods in question.

“As a Democrat in Georgia, lobbyists don’t really contribute much to me,” Sharper said. “Also, I am not on committees that are very active so there are less contributions.”

In a letter dated Sept. 18, Moore told the commission he did not raise or spend any money during the reporting period that ended June 30. However, he said his Jan. 31 filing was inaccurate and that he has since submitted an amended report.

Sainz, who is serving his first term, told the commission he accidentally checked a box that said he had no contributions or expenditures to report and had trouble figuring out how to fix his mistake online.

Jones wrote the commission that his campaign made an error “interpreting the date this report was due.” Once it was brought to his attention, Jones said, he filed the report and paid a late fee.

“My campaign accepts full responsibility and accountability of our report not being filed accordingly,” Jones wrote. “We thank you and commend your office for their hard work and various audits and controls you have in place.”

The commission’s staff in 2017 said it would begin auditing the reports filed by candidates in the Atlanta mayor’s race that year and statewide candidates in the 2018 elections.

Emadi said earlier this year that he was looking into violations by the campaign of Democratic gubernatorial nominee Stacey Abrams and Atlanta mayoral candidates.

Cases against two minor Atlanta mayoral candidates moved forward Thursday, and others are expected later this year or in 2020.

Emadi took heat when he filed a spate of subpoenas targeting groups led by Abrams and the chairwoman of the state Democratic Party, prompting criticism that he's trying to exact political revenge against Republican Gov. Brian Kemp's political opponents.

[The AJC reported when he was appointed in March](#) that Emadi was a former officer in the Douglas County Republican Party who once worked briefly for GOP [House Speaker David Ralston](#). He also donated \$600 last year to Kemp's campaign for governor.

The subpoenas obtained by the AJC were filed April 26 and [sought extensive financial, bank and payroll records from the Abrams' campaign, which raised roughly \\$30 million in last year's race against Kemp](#).

The ethics office also wanted all correspondence between the Abrams campaign and a constellation of left-leaning groups that registered and mobilized voters, many with a focus on energizing minorities. They included the voting rights group Abrams helped launch and a nonprofit co-founded by state [Sen. Nikema Williams](#), the leader of the state Democratic Party.

In the documents, Emadi revealed that investigators intend to present evidence the Abrams campaign accepted donations from four of the groups that exceeded maximum contribution limits for a statewide campaign.

Abrams' attorney has vigorously denied that claim, saying investigators have failed to prove any wrongdoing and offered full cooperation to clear up any technical violations. She also questioned why investigators only demanded records from groups "led by black or Latino Georgians working to increase election participation among voters of color."

[**Assemblyman introduced bill pushed by firm that paid him**](#)

ALBANY — On May 27, 2015, Bronx Assemblyman Michael Blake introduced a bill pushed by Airbnb, the multi-billion-dollar short-term rental platform. The measure had been a top Airbnb legislative priority in Albany that year.

While little noticed at the time, public records released in the months and years that followed raise questions about a potentially major conflict of interest between Blake's legislative act — introducing a bill — and a source of his private income.

In the month prior to the introduction of Blake's bill, Airbnb paid \$189,000 to a prominent political consulting firm, Hilltop Public Solutions, to assist in its lobbying in New York. Hilltop's efforts included helping organize grassroots support for the legislation that Blake introduced.

Publicly unknown at the time was that Blake, a political consultant with prominence in national Democratic politics, was being paid by Hilltop as a political consultant. In other words: In 2015, Blake was being paid by Hilltop; Airbnb was paying Hilltop; and Blake introduced legislation Airbnb had been pushing.

Blake's financial disclosure form for 2015 reveals that Hilltop — formally identified by its corporate name, S&B Public Solutions — paid Blake between \$5,000 and \$20,000 to work for "out of state" clients. But Blake insists he never worked for Airbnb.

"It has the appearance of a conflict of interest," said Susan Lerner, executive director of Common Cause New York, a leading good government group. "The basis on which all of this took place, we don't know. But no legislator should be in this situation."

The Hilltop official that Airbnb retained in New York was Bill Hyers, then a partner in the firm's New York City office. Hyers had gained prominence as an architect of Bill de Blasio's election as New York City mayor in 2013.

Hyers is also a good friend of Blake, and was an early and generous financial supporter of his campaigns. More recently, he served as a well-paid Blake campaign consultant.

In response to questions from the Times Union, Hyers refused to say whether he'd ever discussed matters related to Airbnb with Blake — including the bill the Assemblyman introduced in 2015, and which Hilltop helped push in the weeks prior.

"This is a stupid rabbit hole (I'm) not going down for the umpteenth time," Hyers said in an email.

Krysten Copeland, a spokeswoman for Blake's current congressional campaign, said in a statement that he "never worked with Airbnb during his time with Hilltop, rather he worked on political campaigns in Maryland and Iowa" in 2015. "Further, Mr. Blake has never worked as a lobbyist during his time with Hilltop or any other organization. Any bills that Mr. Blake introduces are of his own volition and for the betterment of the people of the state of New York."

Blake insisted he never discussed Airbnb with Hyers before the bill's introduction.

An Airbnb spokesman, Christopher Nulty, said that Bolton-St. Johns, a top lobbying firm also working for the company, had been responsible for pushing for introduction of the legislation that Blake introduced.

"Michael Blake has never done any work on behalf of Airbnb," Nulty said.

According to the company, Airbnb didn't know in 2015 that Blake was doing consulting work for Hilltop, and only found out from later media reports.

The company maintains it is unaware of any 2015 conversations between Hyers and Blake about the legislation.

Hilltop, based in Washington D.C., is one of the breed of "strategic communications" firms that work on lawmakers' campaigns and develop close relationships with them, but whose employees rarely register as having done lobbying.

Bolton-St. Johns' public filings listed only one specific bill of interest during the the 2015 legislative session: the one introduced by Blake.

The bill would have allowed Airbnb to collect "occupancy tax" from Airbnb renters – thus lifting the collection burden off its "hosts" – before passing the money on to state government.

Given that Blake was a freshman member of the Assembly with relatively meager legislative influence, he was a somewhat unusual pick to carry the significant legislation for Airbnb.

Airbnb declined to explain why Blake was chosen to carry the legislation, as did a Bolton-St. Johns representative.

Blake claimed that he introduced the occupancy tax bill "without influence from outside sources." In other words, Blake asserts that he independently came up with the obscure taxation idea, which Airbnb happened to have been pushing in the weeks beforehand.

Blake's relationship with Hilltop first drew scrutiny seven months after he introduced the Airbnb-backed bill.

In December 2015, Hilltop issued a press release stating that Blake was accepting a position as a partner in the consulting company. The press release stated that Blake would join Hilltop's New York City office, which was led at the time by Hyers.

The press release neglected to mention that Blake was an elected member of the state Assembly.

Amid criticism over the potential conflicts of interest — Lerner at the time called Blake's behavior "brazen and disturbing" — the lawmaker reversed course two days later and said he would not take the Hilltop partnership.

At that point, Blake had already had been working as a consultant for Hilltop for at least two years, according to financial disclosure forms first reported on by Politico in February.

For a state assemblyman, Blake has an unusually high profile in national political circles: He was an early campaign adviser to President Barack Obama, landed a position in the White House, and is now a vice chair of the Democratic National Committee.

Blake ran for Assembly in 2014 as a reformer and won the seat previously held by Eric Stevenson, who was booted from office after being convicted of accepting \$22,000 in bribes.

"This collective aura of corruption that has been happening — enough is enough," Blake told the Daily News when launching his bid.

Blake is now a leading candidate in the 2020 congressional race to replace retiring U.S. Rep. Jose Serrano.

Hyers, meanwhile, was one of the handful of advisors de Blasio unsuccessfully attempted to designate as "agents of the city," whose emails with de Blasio should be kept secret. After a judge ordered their release, the communications showed how Hilltop often hired former de Blasio staffers, who then set up meeting with City Hall on behalf of clients — typically without registering as lobbyists.

In July 2014, multiple media outlets reported that Airbnb had retained Hyers.

Hyers told the Times Union he'd known Blake "very well" going back to the days when Blake worked for Obama. Hyers himself worked for Obama's 2012 re-election bid.

When Blake first ran for Assembly in 2014, his very first donation was \$1,000 from Hyers. "Proud to have been the first donor!" Hyers tweeted in July of that year.

"You are the man my brother," Blake replied. "Thank you for being with me from DAY ONE. I will call only slightly less LOL."

Indeed, even after Blake assumed public office in January 2015, he continued to do consulting work for Hilltop. Hyers said the work did not pose a conflict of interest.

Blake "never worked for Hilltop, he was a subcontractor for a few payments many years ago on one project for a political campaign in Bermuda," Hyers said. "That's it. There is no special here or there on any of this other stuff, Hilltop has a ton of partners doing a ton of stuff all over the place, and one subcontractor on one project doesn't have anything to do with another."

According to Blake's own financial disclosure forms, however, his work for Hilltop was more extensive than Hyers describes.

In 2014, Blake reported making between \$5,000 and \$20,000 working as a consultant for Hilltop on a campaign in Ghana. In 2015, he reported income in the same range working for Hilltop for the "out of state" campaigns — Maryland and Iowa, according to Blake's campaign spokeswoman.

Following Blake's abortive attempt to become a Hilltop partner in late 2015, he did not report income from the firm in his 2016 or 2017 disclosure forms.

Both years, however, Blake reported making between \$20,000 and \$50,000 doing "communications strategy" for the One Bermuda Alliance, a political party in that country. During the same period, Hyers and other Hilltop employees were working for the One Bermuda Alliance.

Meanwhile, Hyers' work for Airbnb also brought him into proximity to Blake.

On May 12, 2015, dozens of Airbnb "hosts" took a trip to the state Capitol. The Airbnb hosts planned to talk to lawmakers about passing a law, which would help the Airbnb "community" to "pay \$65 million more in taxes" per year, according to a company press release. The Airbnb supporters wanted the Legislature to pass the bill allowing Airbnb to "collect and remit hotel and tourist taxes" in New York "on behalf of hosts."

Hilltop helped organize the Airbnb hosts' lobbying trip to Albany, Airbnb confirmed.

On May 12 — the day of the trip — Airbnb paid Hilltop more than \$82,000 for "public relations/grassroots," according to the company's lobbying disclosure. Two weeks earlier, Airbnb paid Hilltop \$102,000 for the same purposes.

Two days after the lobby day, Long Island state Sen. Phil Boyle, a Republican, introduced the legislation Airbnb was seeking. Two weeks later, Blake introduced the Assembly version.

While Boyle's bill made some limited progress in the state Senate in 2016, Blake's stalled in the Assembly, never gaining a single co-sponsor. In March 2016, the legislation officially died when Blake rescinded his support.

Indeed, Blake appeared to grow less friendly to Airbnb, voting in 2016 to pass significant legislation cracking down on the company.

Hyers has since left Hilltop and started his own firm. He no longer works for Airbnb. But Blake and Hyers have remained close.

Last November, Blake and Hyers were spotted together in Puerto Rico, attending the annual Somos political conference.

And when Blake ran unsuccessfully for New York City public advocate this year, a Hyers company, Win Creative, was paid by more than \$460,000 for television ads and consulting by the campaign.

"As public advocate, I will continue to work tirelessly," Blake said during the campaign, "to ensure that all New Yorkers can have faith that their government is working for their benefit."

[The Interior Secretary Wants to Enlarge a Dam. An Old Lobbying Client Would Benefit.](#)

For years, the Interior Department resisted proposals to raise the height of its towering Shasta Dam in Northern California. The department's own scientists and researchers concluded that doing so would endanger rare plants and animals in the area, as well as the bald eagle, and devastate the West Coast's salmon industry downstream.

But the project is going forward now, in a big win for a powerful consortium of California farmers that stands to profit substantially by gaining access to more irrigation water from a higher dam and has been trying to get the project approved for more than a decade.

For much of the past decade, the chief lobbyist for the group was David Bernhardt. Today, Mr. Bernhardt is the Interior Secretary.

It is not the first time that the Interior Department under Mr. Bernhardt's leadership has taken actions that benefit his former client, the Westlands Water District, a state entity created at the behest of, and largely controlled by, some of California's wealthiest farmers. Mr. Bernhardt [also promoted the weakening of an endangered-species](#) regulation that would get Westlands more water, a move that has put him under scrutiny from his department's inspector general.

The Shasta is already one of the tallest dams in the nation, and preliminary work has begun to raise its height by 18.5 feet. That would allow it to hold about 14 percent more water, and the 1,000 or so Central Valley farmers that Westlands represents would receive more than anyone else.

"Prior to the Trump administration, this project was dead," said Jeffrey Mount, a water management expert with the Public Policy Institute of California. "Now it's coming to life. And Westlands would be the No. 1 winner here."

Under Mr. Bernhardt's leadership, the Interior Department has disregarded its own scientific and legal analysis showing that raising the Shasta not only would be environmentally damaging and cost-prohibitive, but it would also be illegal under California law. California's attorney general is now suing to stop it.

This year the Interior Department's Fish and Wildlife Service was told to prepare a new environmental review of the dam project, but this one will be much more limited in scope, according to a person familiar with the plans, who requested anonymity out of fear of retribution. The new plan would not analyze the effects on salmon habitat downstream or the effects on several rare species.

Excluding review of the dam's downstream effects is "like analyzing the impact of a loaded pistol without looking past the nose of the barrel," said Jon Rosenfield, a biologist at San Francisco Baykeeper, a conservation organization. The effects of storing more water behind the dam "are major and extend all the way down to San Francisco Bay," he said.

The Interior Department is also pursuing a deal, long sought by Westlands, whereby Westlands would help pay for the work to heighten the dam.

William K. Reilly, who ran the Environmental Protection Agency in the first George Bush administration, said the credibility of environmental decisions "always rests on good science." The decision to raise the Shasta Dam is an example of the Trump administration disregarding scientific evidence when making policy, he said. "When you see a pattern of not accepting scientific opinion, you lose trust in what the government has done, and it's very hard to get that back," Mr. Reilly said.

The Trump administration's ethics pledge requires former lobbyists to recuse themselves for two years from working on any specific issue area involving a particular party on which or for whom they lobbied in the two years before joining the administration.

The Interior Department's ethics office said it had reviewed Mr. Bernhardt's past lobbying for a law related to the Shasta Dam and concluded before his appointment that the law "was not a particular matter or specific issue area." As a result, it said, the ethics pledge did not prohibit him from decisions about the dam, unless they were on issues that were "a particular matter" involving his former client.

Mr. Bernhardt did not respond to detailed written questions.

Mr. Bernhardt's spokesman, Nicholas Goodwin, said, "Secretary Bernhardt is and has always been committed to upholding his ethical responsibilities, and he has fully complied with those obligations."

Thomas W. Birmingham, the general manager of Westlands Water District, said Mr. Bernhardt hadn't lobbied specifically on the issue of the enlargement of the Shasta Dam.

Mr. Bernhardt separately [is under federal investigation](#) not only for the allegations that he helped weaken Endangered Species Act protections to free up water for Westlands, but that he continued lobbying for Westlands after formally de-registering as a lobbyist, and that he [intervened to block a scientific report](#) showing a pesticide's harmful effects on some endangered species.

Mr. Bernhardt is an architect of President Trump's efforts to roll back environmental regulations. Those [rollbacks have benefited numerous parties](#), among them some of Mr. Bernhardt's former lobbying and legal clients, including oil companies and Halliburton Energy Services, the oil and gas extraction firm once led by former Vice President Dick Cheney.

Mr. Bernhardt was initially appointed by Mr. Trump in 2017 as the Interior Department's deputy secretary. This year he rose to the top job after his predecessor, Ryan Zinke, [resigned following allegations](#) of ethical misconduct.

Mr. Zinke's resignation was one of several high-level departures from the administration amid ethics scandals. Mr. Trump's first pick to lead the Environmental Protection Agency, Scott Pruitt, [resigned last year amid federal investigations into alleged improper activities](#). He, too

was succeeded by a former lobbyist, Andrew Wheeler, who previously had represented coal companies.

Mr. Pruitt and Mr. Zinke have denied wrongdoing.

Rejecting Established Science

The 602-foot Shasta Dam tames the Sacramento River 200 miles north of San Francisco. Built by the Interior Department from 1938 to 1945, it captures the annual snowmelt from Mount Shasta, creating a vast reservoir that anchors California's federally operated irrigation system, routing water from the state's verdant north to the almond and pistachio farms of its arid Central Valley.

Today, however, California is suffering dire water shortages. For years, water demand has increased but supply has fallen as the warming climate diminishes Mount Shasta's snowpack. Westlands, the state's largest agricultural water user, has for decades pressed state and federal lawmakers for changes to provide it with more water.

Opponents of raising the Shasta say that, among other things, it would violate state law prohibiting construction that harms pristine waterways such as the McCloud River, which drains into Lake Shasta. "It is explicitly against California law," said Mr. Mount of the Public Policy Institute. "The federal government needs a permit from the state in order to enlarge the Shasta."

Major concerns about the Shasta Dam have come from the Interior Department's own scientists, lawyers and economists. In November 2015, staff biologists at the Interior Department's Fish and Wildlife Service concluded in [a 215-page report](#) that raising the dam "would result in the loss, degradation, and fragmentation of habitat" in and around Shasta Lake and the Sacramento River, and throughout the San Francisco Bay Delta.

The report said the project would harm the habitat of many species including not only the bald eagle but northern spotted owl and the Shasta snow-wreath, a delicate white flower. A higher dam also would cut off one of the main routes used by salmon to spawn by reducing the flow of water downstream. That could shrink the Pacific Coast salmon population, the report said, which scientists and fishermen say could devastate the west coast salmon fishing industry.

"That Fish and Wildlife report tells us that raising the dam would choke the life out of the Sacramento River, and what that means for the west coast salmon industry I shudder to think," said John McManus, president of the Golden Gate Salmon Association.

For these reasons, the report concluded that Fish and Wildlife was “unable to support” raising the dam. A [separate Interior Department report, in July 2015](#), found that raising the dam would also be too costly, at roughly \$1.5 billion, given budget constraints.

Neither report has been publicly updated with new findings.

The Long Game

Westlands has played the long game, preparing for a moment when political winds might shift in its favor. They have pursued creative strategies large and small to help nudge the Shasta project forward while preparing to act quickly if the opportunity arose.

That strategy explains why, back in 2007, Westlands made an unusual purchase, spending \$35 million to buy [Bollibokka](#), a 3,000-acre fishing lodge along the McCloud River, just above the Shasta Dam.

“It was a real ‘What the heck?’ moment,” said Mr. Mount, the California water policy expert. “What is a water irrigation utility in the San Joaquin Valley doing taking money from their ratepayers to buy a fishing lodge on the McCloud River, 300 miles away?”

Westlands’ strategy: It wanted to eliminate opposition from landowners along the McCloud, who could see their property flooded if the dam were raised. So they bought the land themselves.

“If there were valuable vacation homes along the McCloud River, it would have had the potential to create additional opposition,” said Mr. Birmingham, the general manager of Westlands Water District.

Westlands, as far back as 2009, also came up with a plan to offset the high cost of raising the dam by offering to help pay for it. Westlands in 2011 also hired a powerful advocate: Mr. Bernhardt, then a lobbyist with the firm Brownstein Hyatt Farber Schreck, and previously a top Interior Department official in the George W. Bush administration. During his five years as lobbyist and lawyer for Westlands, the water district paid his firm at least \$1.3 million in lobbying fees, his disclosure reports show.

As the chief lobbyist for Westlands, Mr. Bernhardt lobbied in favor of a federal water law that, among its many provisions, lets the Interior Department undertake expensive dam expansions provided that it finds an outside cost-sharing partner. Today, that provision, supported by Westlands, [has enabled the Interior Department to proceed with plans](#) to expand the Shasta

Dam under the assumption of a cost-sharing agreement with Westlands. Preliminary construction work has begun.

Westlands could help cover one-third of the projected \$1.5 billion cost and perhaps more, according to Mr. Birmingham, the water district's general manager. The water district could end up paying "the lion's share," he said. He also said he did not consider his group to be the biggest beneficiary of the Shasta project. "If it's built the way it's described, Westlands will benefit," but the state of California as a whole also stands to gain, he said.

A spokeswoman for Mr. Bernhardt, Molly Block, wrote in an email that the agency's ethics officials concluded that Mr. Bernhardt had lobbied on the broader bill, which included thousands of provisions having nothing to do with Westlands, and therefore it was not necessary to distinguish which specific issues he had lobbied on within the bill.

Ethics experts said the Interior Department's reversal on Shasta raised ethics questions.

Marilyn L. Glynn, who served as general counsel and acting director of the United States Office of Government Ethics during the George W. Bush administration, said it did not look as if Mr. Bernhardt had violated ethics rules in the Shasta matter, but that the decision "creates the appearance that this administration is interested in favoring only the administration's supporters, instead of the overall public good."

Shasta Moves Forward

Mr. Bernhardt stopped lobbying for Westlands in November 2016 and began work at the Interior Department in August 2017, first as its deputy secretary. Soon thereafter, the agency moved ahead on Shasta, explicitly naming Westlands in their budget request to Congress.

In February 2018, the agency asked Congress to pay [\\$75,000 for "supporting activities" related to the 2015 study of expanding the dam, and also requested \\$20 million for preconstruction and design work](#). The budget documents noted that the Interior Department had to find a cost-sharing partner, and also noted that Westlands had previously signed an agreement in principle to share construction costs, although that agreement had expired in 2017. Congress approved that funding.

The same month, [Westlands' board met](#) in Fresno and [voted to enter into a new deal](#) to help pay for the project. One month later, in March, Mr. Bernhardt discussed the heightening of the Shasta Dam with an agency ethics official, according to that official.

With the project's funding in motion, in May 2018, Mr. Bernhardt spoke at the Association of California Water Agencies, [telling attendees](#) that raising the Shasta was "a high priority." This year, [the Interior Department asked Congress to nearly triple the spending on enlarging the Shasta, to \\$57 million](#), although Congress has not yet approved that request. The Interior Department's website [now says it expects by December to issue the first construction contract](#) to raise the Shasta Dam by 18.5 feet.

Westlands officials said that they simply saw Mr. Bernhardt moving forward with policy to help bring water to those who need it. "Enlarging the Shasta Dam is a project that engenders conflict," said Westlands' general manager, Mr. Birmingham.

[Investigations touch Illinois powerbroker's confidants](#)

One of the nation's most powerful state legislators has for decades tended to shrug off the latest scandal involving Illinois politicians, but the sight of FBI agents hauling bags of evidence from an office on the Democratic side of the Capitol building this week may have startled the normally unflappable Mike Madigan.

Madigan, the longest-serving state House speaker in modern American history and the head of the Democratic Party in Illinois, hasn't been accused of wrongdoing. But over the past 10 months at least half a dozen Democrats — including some confidants and allies — have been charged with crimes or had agents raid their offices and homes.

Court papers mistakenly unsealed in one case involving a powerful Chicago City Council member even described a businessman wearing an FBI wire and secretly recording Madigan.

Phil Turner, a former federal prosecutor in Chicago, said it would be wrong to deduce Madigan, 77, is an FBI target now based on raids of one-time associates. But he said Madigan may still have reason to worry since those facing charges often scramble to cough up unfavorable information on others with more status.

"Even if you haven't done anything wrong, the people that are targets may have done things and they learn what to tell investigators as a way to stay out of jail," Turner said. "When people get into a vice, they will start saying something about someone else — even if it's not true."

The U.S. attorney's office in Chicago, headed by John Lausch, an appointee of Republican President Donald Trump, is spearheading the investigations against the Democrats, some of them acknowledged powerbrokers in the party. One of his predecessors, Patrick Fitzgerald,

cemented his own legacy by convicting two Illinois governors — Democrat Rod Blagojevich and Republican George Ryan.

Although once-unthinkable questions about whether investigations of so many Democrats could adversely impact Madigan are now being asked, there's no sign he is losing his more than 35-year stranglehold on lawmaking processes in the Legislature — where little gets passed without his approval. Madigan infrequently fields questions in public or grants interviews to reporters, which has fostered his reputation as inscrutable and unaccountable. Madigan spokesman Steve Brown declined comment.

The Capitol raid Monday was at the office of state Sen. Martin Sandoval, who represents a Chicago district that overlaps with Madigan's. The Chicago Tribune, citing "a source with knowledge of the case," reported that investigators are looking at whether Sandoval got kickbacks for steering business to at least one company. Sandoval hasn't commented since the raid.

Prosecutors already brought charges against Chicago City Council member Ed Burke, who personified Chicago machine politics for five decades, and state Sen. Thomas E. Cullerton, a distant cousin of the Illinois Senate's top leader, John Cullerton. Thomas Cullerton pleaded not guilty in August to embezzlement charges for allegedly receiving more than \$250,000 in salary and benefits from the Teamsters while doing little or no work.

Mike McClain and Kevin Quinn, among those whose homes have been raided, could potentially create the most trouble for Madigan. McClain is a state lawmaker-turned-lobbyist and a longtime Madigan confidant. Quinn was a Madigan political consultant.

The FBI in May raided McClain's western Illinois home, and the Chicago homes of Quinn and Madigan ally Michael Zalewski, an ex-alderman. Citing an unnamed law enforcement source, the Tribune reported that agents searched for communications among Madigan, McClain and Zalewski about obtaining lobbying work for Commonwealth Edison for Zalewski. None of the three has been charged.

Citing unnamed sources and records, the Tribune also reported that the FBI was investigating \$10,000 payments to Quinn from former and current lobbyists for the energy utility. It reported at least some money came from accounts linked to McClain and the money was paid after Madigan dismissed Quinn in early 2018 amid allegations by a campaign worker that Quinn had sexually harassed her.

Electric utility ComEd in July confirmed it and its parent company, Exelon, had received a subpoena “requiring production of information concerning its lobbying activities in the State of Illinois.”

Home phone numbers weren’t available for McClain and Quinn, and McClain’s former law office number had been disconnected. Zalewski’s lawyer, Thomas Breen, previously called his client a “straight shooter,” saying the investigation wouldn’t “change his good reputation.”

The latest raids were Thursday at village halls in the Chicago suburbs of McCook and Lyons, though the targets were unclear. McCook Mayor Jeff Tobolski, who is also a Cook County commissioner, hasn’t been accused of wrongdoing. The Tribune reported in 2012 that a Madigan relative secured insurance business from McCook and that Madigan gave Mayor Tobolski assurances that a proposed bill to bar dual officeholders wouldn’t pass. Tolbolski told the newspaper at the time: “I can assure you that one thing had nothing to do with the other.”

It was an affidavit in Burke’s case that revealed secret FBI recordings of Madigan discussing a hotel project and the possibility of its Chinese developer becoming a client of Madigan’s private law firm, Madigan & Getzendanner. The filing, first obtained by the Chicago Sun-Times, says an associate of the developer recorded Madigan at a 2014 meeting. The affidavit doesn’t say Madigan ever faced any prospect of being charged.

Documents charging Burke, Chicago’s longest serving alderman, focused on his law firm, Klafter & Burke, accusing the 75-year-old of trying to extort the owner of a fast-food company for legal business in exchange for city construction permits. Burke pleaded not guilty and has denied any wrongdoing.

Emails between the executives alluded to the fear that well-connected politicians like Burke can inspire in Illinois. After Burke allegedly forced them to halt the renovations, one wrote: “I know these guys are very powerful and they can make life very difficult for all of our Chicago stores.” He added, “I do not want to take (the) risk.”

[Trump's Ukraine scandal highlights shrinking public corruption laws](#)

The congressional Republicans fiercely defending President Donald Trump's conduct in a July phone call with his Ukrainian counterpart are leaning on a legal technicality.

The president, they say, did nothing wrong by pressuring Ukrainian President Volodymyr Zelensky to investigate one of his chief 2020 rivals, former vice president Joe Biden, because he never framed the request as an explicit quid pro quo in exchange for military aid.

Critics say the argument is extremely tenuous: Any rational person reading the rough transcript of the call would understand Trump made clear Zelensky should open a probe to ensure the release of the \$390 million aid package.

Yet Sen. Lindsay Graham, R-S.C., describing the threshold for a quid pro quo, suggested the president would have needed to say something like, "'Uh, hey pal, you know, you need to like, go after the Bidens or I ain't gonna give you any money.' He'd be really, like, thuggish about it."

Some election law experts say Graham has a point: Through a series of decisions over the past two decades, courts have raised the bar almost impossibly high for prosecutors seeking to prove public officials have traded their power for personal gain. The resulting dynamic undergirds Washington's swamp economy - a system protecting the outsize influence of donors and lobbyists by allowing them to keep goodies flowing to policymakers, while ensuring those in power don't face scrutiny for horse-trading.

"Quid pro quo being a high legal standard is a fair point," says Noah Bookbinder, executive director of Citizens for Responsibility and Ethics in Washington, "though the words in that phone call come a lot closer to proving quid pro quo than you see in a lot of cases."

The case that began chipping away at the public corruption standard unfolded in the shadow of the last presidential impeachment. Two weeks before President Bill Clinton was impeached by the House in December 1998, a federal court acquitted his agriculture secretary, Mike Espy, of corruptly taking sports tickets and other lavish gifts from lobbyists for companies he regulated. Prosecutors said Espy accepted \$34,000 worth of sports tickets, luggage and other lavish gifts from lobbyists. But the court found Espy hadn't violated an illegal gratuities statute in doing so, because prosecutors failed to prove he took any official action in exchange.

"Going into that case, people thought this was pretty straightforward," says the Brookings Institution's Darrell West. "But what it revealed is that you have to demonstrate you got a benefit and you did something in return . . . Trump could easily defend himself by saying he just wanted to establish warm relations between the two countries, and he wasn't doing something in return for a campaign benefit."

West said the Espy verdict had a chilling effect on public corruption cases. And decisions in subsequent cases further eroded the legal standard.

The U.S. Supreme Court has helped turn the tide. A 2010 ruling involving the former Enron executive Jeff Skilling, for example, narrowed the "honest-services" fraud statute. "The court restricted the use of the provision to only the most egregious forms of fraud, such as bribery and

kickbacks, disallowing the charge for grayer types of corporate malfeasance," Jesse Eisinger writes in the book "The Chicken**** Club."

Bookbinder says while the decision was aimed primarily at corporate defendants, it had a spillover effect for public officials facing potential corruption charges, as well.

The high court in 2016 ripped some more pages from the prosecutors' playbook by unanimously overturning the conviction on public corruption charges of Virginia Gov. Robert McDonnell. The Republican had taken more than \$175,000 in loans and gifts from a Richmond businessman who wanted state universities to test a dietary supplement his company had developed.

But as The Washington Post's Robert Barnes wrote at the time, the tests were never conducted and the gifts didn't violate state law. Writing for the majority, Chief Justice John Roberts reasoned, "There is no doubt that this case is distasteful; it may be worse than that. But our concern is not with tawdry tales of Ferraris, Rolexes, and ball gowns. It is instead with the broader legal implications of the Government's boundless interpretation of the federal bribery statute."

These laws are written, of course, by people subject to them. "They're looking to protect themselves, and the laws have been interpreted very narrowly by the courts," Bookbinder says. "Courts can be very sympathetic to public officials. Judges don't seem to like broad public corruption laws."

Whether that stems from judicial philosophy or an interest in avoiding antagonizing another branch of government, the upshot has been good for the swamp. In the 20 years since the Espy decision, spending on federal lobbying alone has more than doubled, from \$1.45 billion in 1998 to \$3.46 billion last year, according to the Center for Responsive Politics.

George Brown, one of the prosecutors in the Espy case who now teaches at the Boston College of Law, says in Trump's case, "if I was a lawyer in the House, I would say even though I can't point to a statute, that doesn't mean this is not grounds for impeachment. . . We don't have a federal crime of 'abuse of office.' But this is an abuse of office."

And Democrats who have now launched a formal impeachment inquiry don't need to meet a legal standard to press ahead. The Constitution gives lawmakers wide latitude to determine what constitutes presidential "high crimes and misdemeanors." And Trump may have broken the law anyway, since it is a crime to solicit a campaign contribution from a foreign citizen, and a foreign corruption probe aimed at a rival arguably constitutes an in-kind donation.

Trump and his defenders nevertheless continue emphasizing the lack of an explicit deal between the president and Zelensky.

Florida Shockingly Leads Nation in Ethics Transparency, Report Finds

Florida is back to draining swamps, and for once, it's not the Everglades. Long considered one of the most corrupt places in the country, the Sunshine State is apparently raising the bar when it comes to transparency in ethics enforcement.

That's according to the anti-corruption nonprofit Coalition for Integrity, which recently released its annual report known as the S.W.A.M.P. index (States With Anti-Corruption Measures for Public officials). For many, "the swamp" might inspire images of K Street lobbyists hatching murky deals in backrooms in D.C. — and that's exactly why the report's authors wanted to spotlight state, city, and small-town public officials, who have been under increasingly less scrutiny as local journalism weakens outside of large metropolitan areas.

"State laws are often the first line of defense against corruption and cover thousands of officials, employees, and legislators nationwide," Coalition for Integrity's Laurie Sherman and Shruti Shah wrote in a [post](#) on their report.

Of the 43 states (and the District of Columbia) that currently have ethics agencies with enforcement power, Florida's commission is in a four-way tie for first place along with Colorado, Minnesota, and Rhode Island. All four front-runner states received perfect transparency scores of 100, while 25 states received failing grades of 60 or lower.

Focusing on a three-year period starting in 2016, the report's transparency rankings were based on whether there was publicly available information about how many complaints were filed to a state's ethics commission in a given year. The rankings also analyzed how many of the complaints were dismissed, how many were resolved with a finding of an ethics violation, and how many were resolved with a finding of no ethics violation. The authors also considered whether state commission decisions were made publicly available along with annual or biennial reports.

On the enforcement side, Florida did stand out in a few categories, having issued a fine of \$10,000 or more in the past three years. And it was one of few states to recommend that a public official be removed from office for ethics violations. However, the report made a point of not ranking states by enforcement, given that state agencies have different budgetary and human resources available.

Last year's [S.W.A.M.P. index](#) skipped on ethics transparency and focused instead on the strength of anti-corruption laws in different states. On this one, Florida didn't do so hot, receiving a near-failing grade of 64 out of 100. Unlike other states, Florida's ethics commission does not have the power to initiate its own investigations. It can only act on referrals from law enforcement and the governor's office. Worse still, the commission does not have an independent budget, meaning its yearly funding depends entirely on the Legislature's whim.

"I've heard people say [Florida's ethics commission] is a paper tiger and that it's weak. But any weakness there is not the commission's fault — it's due to the state Legislature's failure to give them the tools they need to enforce ethics laws," says Brian Wilcox, research director at Integrity Florida, a government watchdog based in Tallahassee.

In its [2018 annual report](#), the Florida Commission on Ethics made various legislative recommendations to improve the state's ethics and corruption framework, including requiring municipal governing board members to file the same full financial disclosures as other elected officials.

Wilcox says he would like to see the commission, which currently can garnish wages of public officials who owe fines, further empowered to put liens on the personal property of ethics rulebreakers. He also thinks the maximum fine — now \$10,000 — should be raised as high as \$25,000.

"My worry is that some public officials will consider small fines as just a part of doing business," Wilcox says. "We need to find a level of fine that will make public officials take this seriously."

The good news is that stricter ethics rules are on the way. In 2018, voters passed Amendment 12, which bans elected officials and government employees from lobbying the state and federal government during their tenures and for six years thereafter. The amendment also expands the scope of legal conflicts of interest, making it more difficult for officials to get a "disproportionate benefit" from their actions in office.

Following the 2020 elections, the state Legislature will set penalties for violating the new, tighter ethics standards.

[Ethics questions abound in ND lawmakers' study](#)

Questions abound regarding virtually every aspect of a new constitutional amendment mandating North Dakota government ethics.

The Legislature's interim Judiciary Committee Wednesday, Sept. 25, began a study of the initiated constitutional amendment that bore the five-person Ethics Commission, which met for the first time two weeks ago. The study came as an amendment to a bill implementing the Ethics Commission after voters' passage in 2018.

The Judiciary Committee was met with a wide array of questions about legal provisions and eventual ethics rules regarding transparency, elections, lobbying and corruption.

Rep. Larry Klemin, R-Bismarck, an attorney who chairs the committee, posed a bevy of questions, from legal inconsistencies and definitions to budgeting for the Ethics Commission to gray areas of authority of the Legislature and the new panel.

"It may be that some (statutory) provisions should be amended or deleted," Klemin said. "It may be that some provisions should be added."

Lobbyists Christopher Dodson and John Olson followed up with further questions related to lobbying, campaigns and other legal definitions.

"It may be fashionable to portray lobbyists as fat cats buying favors with dark money from legislators on behalf of wealthy, big businesses, but the reality is much different," Dodson said.

"The bottom line is that we desire to have very clear, enforceable rules," Olson said.

Questions around the Ethics Commission's authority have ranged far, from lawmakers' use of social media to investigating oilfield spills. Chairman Ron Goodman has said the Ethics Commission won't get into those areas.

Sen. Larry Luick, R-Fairmount, asked if the Ethics Commission's authority would extend to "fraudulent or deceptive advertising" such as in political campaigns involving two bitter opponents.

"I think that's a question for the Ethics Commission," Klemin said, echoing a common theme as the new board establishes itself.

One major question for both the Judiciary Committee and the Ethics Commission is an apparent conflict between constitutional language mandating a confidential whistleblower hotline and statutory language prohibiting the Ethics Commission from handling anonymous complaints.

Legislative Council attorney Claire Ness, an attorney for the Legislature, said a government entity may investigate an anonymous tip and bring enforcement action against a person, provided the tip isn't used as testimony in any proceedings.

House lawmakers have said an accused party should have the right to face his or her accuser. Two ethics commissioners attended the Judiciary Committee's meeting at Klemin's invitation but did not participate on the advice of the commission's attorney, who previously cautioned the commission's members to avoid the appearance or perception of fraternizing with other branches of government.

Commissioners Ward Koeser, a former Williston mayor, and Paul Richard, an attorney and retired Sanford Health executive from Fargo, sat in the audience and did not speak or appear before the committee.

Klemin said the study may not answer every question. The committee will vote in August 2020 whether to proceed with any bills proposed for the 2021 Legislature.

The Ethics Commission next meets Oct. 23 at the state Capitol in Bismarck. The Judiciary Committee will meet again in November.

[These California politicians once helped regulate legal marijuana. Now they're working for the industry](#)

As California's attorney general from 1999 to 2007, Bill Lockyer was on the inside as the state wrestled with a developing marijuana industry. But these days he's watching the transformation from the outside, as co-founder of a licensed pot distributor in Lynwood.

Lockyer, whose four-decade public career included a stint as the powerful leader of the state Senate, is among a growing number of former government leaders, bureaucrats and regulators who have joined or established financial ties with the multibillion-dollar marijuana industry in the last few years.

More than two dozen government officials in California have made the leap. Most, like Lockyer, jumped in after voters in 2016 approved Proposition 64, which legalized growing, distributing and selling cannabis for recreational use.

Lockyer said he was drawn by his fascination with seeing a new industry spring up.

“What has been interesting to me — an academic interest — is watching a whole new business sector evolve, from an illicit market to a legal system, and how people do it and the companies that get created. It’s rare that you ever get to see that,” Lockyer said.

Other top California politicians who have entered business relationships with the cannabis industry include former Los Angeles Mayor Antonio Villaraigosa; former Rep. Dana Rohrabacher (R-Costa Mesa), who transitioned to the pot industry after losing a reelection bid last year; and former San Fernando Valley Assemblyman Felipe Fuentes, a Democrat whose lobbying firm has a cannabis client that he says is handled by his partner.

On the national level, former House Speaker John Boehner (R-Ohio), former Senate Majority Leader Tom Daschle (D-S.D.) and former Rep. Joe Crowley (D-N.Y.) are among those who now make their money off the legal marijuana trade.

Five former aides to Gov. Jerry Brown, who left office in January, have also gone to work for cannabis businesses or lobbying firms that assist such ventures. In addition, web giant Weedmaps hired a lobbying firm formed by two former advisors to Gov. Gavin Newsom.

And former senior officials at the state Bureau of Cannabis Control, the state Department of Food and Agriculture’s pot cultivation licensing office, the state Department of Justice’s drug enforcement unit and three former senior legislative aides are also advising pot firms, including one former official who helped write the state’s cannabis regulations.

“There is an opportunity to make a lot of money,” said Lindsay Robinson, executive director of the California Cannabis Industry Assn. “It’s dynamic and exciting.”

California has the [world’s largest market of legal cannabis sales](#), which is expected to reach a record \$3.1 billion this year, growing to \$7.2 billion in 2024, according to a study released last month by sales-tracking firms Arcview Market Research and BDS Analytics.

Cannabis firms that need help navigating bureaucracy stand to gain valuable knowledge from enlisting government veterans, said Lockyer, who retired from politics when his term as state treasurer ended in 2015 and is a founder of C4 Distro, a state-licensed distribution firm.

“As a general matter, business and government transmit on different wavelengths, and so there is some value in having somebody be able to translate to each side,” Lockyer said. “If there is somebody who understands business and government, there is some value they can bring to the business operation.”

In addition to high taxes and complicated regulations, chief among the problems the new legal industry faces is a struggle to compete against a pervasive black market.

“Everybody is complaining,” Lockyer said of the legal industry. “A very common complaint is how much illegal activity there is.” The problem, according to the state’s former top cop, is the level of enforcement. “It doesn’t exist,” he said.

But the move of so many government insiders to the pot industry is worrying to Scott Chipman, Southern California chairman of Citizens Against Legalizing Marijuana, which opposed Proposition 64.

“The pot industry hiring ex-officials is particularly egregious because of the harm this industry does to kids, young adults, families, communities and the country in general,” he said.

Chipman said government officials should be barred for 10 years from lobbying on behalf of cannabis clients.

A bill by Assemblywoman Melissa Melendez (R-Lake Elsinore) that would have extended the ban on former lawmakers lobbying the Legislature — from one year to five years — recently died in the Legislature.

“No one should be naive enough to think that industries like the cannabis industry are not closely watching to see which legislators are inclined to support bills that favor their particular industry, and which legislators seem to have the most influence,” Melendez said. “This is all helpful information when trying to court future lobbyists to strengthen your political power.”

Rey Lopez-Calderon, executive director of government watchdog organization California Common Cause, also supports a stronger revolving-door policy and said the exodus of government officials to the pot industry was predicted.

“It’s lucrative,” he said. “You have a new industry, and it obviously has a high reward potential, and these folks have influence.”

Rohrabacher became a shareholder and member of the advisory board of Budtrader.com, an online cannabis social media site, after a congressional career in which he had long advocated for cannabis legalization, according to Brad McLaughlin, the company’s chief executive.

Rohrabacher said at the time that with his “knowledge of the system and my contacts, we will not rest until every American has the freedom to decide if medical or even recreational cannabis is right for them.”

Industry firms that have hired government insiders as lobbyists include Weedmaps, which helps cannabis consumers find pot shops and delivery services through its website. Until recently, the company refused state demands to stop listing unlicensed cannabis sellers. Last month, it announced it would stop listing such firms.

Shortly after Newsom’s election, Weedmaps hired a lobbying firm headed by Kevin Schmidt, who for five years was policy director for Newsom when he served as lieutenant governor. Jason Kinney, a key advisor on Newsom’s gubernatorial transition team, also works for the firm.

Kinney said in February that he planned to focus on non-cannabis clients. When asked recently whether he is working on behalf of clients in the legal marijuana industry, Kinney said by email that the company “fully and publicly discloses all lobbying clients and activities on their behalf.”

Another big industry player that has hired political insiders is Eaze Solutions, an online platform that arranges marijuana deliveries.

In January, it hired Elizabeth Ashford as senior director of corporate communications. Ashford served as chief of staff for Kamala Harris when she was state attorney general, and in key roles with Brown and former Gov. Arnold Schwarzenegger.

One of the lobbying firms hired by Eaze is Sacramento Advocates Inc., whose lobbyists include two former high-level aides to Brown, including Gareth Elliott, who is a partner. Eaze also hired a former aide to state Sen. Steven Bradford (D-Gardena), the author of major cannabis legislation, to be its government relations manager.

California’s legal market has struggled to get off the ground, with most cities and counties banning pot shops while the licensed firms complain of high taxes and thick government red tape. Politicians and government insiders who now work for the industry say they can use their knowledge to help make the system work.

“I think everyone would agree there is still much work to be done,” said Dean Grafilo, who served under Brown as director of the California Department of Consumer Affairs, which includes the Bureau of Cannabis Control, before he moved this year to the lobbying firm Capitol Advocacy. The firm’s clients include Surterra Holdings, whose subsidiaries make and distribute medical cannabis products, including oils, tinctures, vape pens and lotions.

Max Mikalonis was a top advisor to Assemblyman Rob Bonta (D-Alameda) and helped write new laws to regulate the marijuana market before he became a lobbyist with K Street Consulting, where he said he focuses exclusively on helping cannabis business clients.

“Both K Street and myself provide both legislative and regulatory advocacy and just plain advice to our clients on different topics,” he said, adding that he lobbied this year on behalf of cannabis client Event Horizon Technologies for a bill that would allow firms to provide trade samples.

Former regulators and state enforcement officers have also made the leap into the industry.

Joe Devlin was the chief of cannabis policy and enforcement for the city of Sacramento, where he created a system for licensing pot businesses while shutting down illegal operators. These days, Devlin has traded his suit and tie for shorts and flip-flops as he helps a start-up cannabis company navigate the maze of government bureaucracy to obtain permits to grow, distribute and sell the drug.

Devlin now works for Ikänik Farms, which is building a portfolio of cannabis retail dispensaries and cultivation facilities. He didn’t get a pay raise, he said, but the new job appealed to his entrepreneurial side.

Experts in government are critical to a burgeoning industry dealing with complex regulations, Devlin said.

“There is a need for people in the cannabis industry who understand how government works, and who understand regulation and understand compliance,” he said. “There has never been a policy topic that I have been part of that was even remotely this complicated.”

[Documents show feds were after evidence of bribery and theft from federally funded program in raid of state Sen. Martin Sandoval’s office](#)

Federal agents who raided the state Capitol office of Sen. Martin Sandoval [last week](#) were looking for information related to concrete and construction businesses, lobbyists and public officials, and “items related to any official action taken in exchange for a benefit,” according to documents released Tuesday by the Illinois Senate.

Agents seized computers, cellphones, hard drives, invoices and a spreadsheet from Sandoval’s campaign fund, according to a heavily redacted search warrant and related documents obtained by the Chicago Tribune through an open-records request. The FBI was seeking evidence of

violation of seven federal corruption statutes, including bribery, theft from a federally funded program, and mail and wire fraud, according to the documents.

The documents reference 19 individuals: five Illinois Department of Transportation officials, two lobbyists, one municipality president, one municipality attorney, one construction company official, two highway company officials, three people referred to as “associates” of an unnamed entity and four people listed as “officials.”

Sandoval, a Chicago Democrat who chairs the powerful Transportation Committee, has not responded to numerous requests for comment on the Sept. 24 raids by FBI and IRS criminal division agents of his Capitol and district offices as well as his Southwest Side home. He has not been charged with any wrongdoing.

The search warrant also shows federal investigators were interested in Sandoval’s company and its clients. The name of the business is blacked out.

Sandoval’s statement of economic interest, filed with the secretary of state, shows he owns a company called Puentes, which does work for clients including the town of Cicero. Among other work, the firm translates news releases into Spanish.

A source with knowledge of the case told the Tribune last week that investigators are looking into allegations that Sandoval used his public office to steer business to at least one company in exchange for kickbacks.

The same day Sandoval’s offices were raided, FBI agents visited the Bartlett headquarters of Bluff City Materials, one of several companies tied to businessman Michael Vondra. Vondra and his businesses have been major campaign contributors to Sandoval and other politicians, state campaign finance records show. He did not respond to requests for comment.

On Thursday, federal agents raided the village halls in west suburban McCook and Lyons, and “conducted investigative activity” at the village hall in nearby Summit. All three towns are in Sandoval’s 11th Senate District. Vondra and his companies have been major contributors to McCook Village President and Cook County Commissioner Jeff Tobolski, and Lyons Village President Christopher Getty and his political party.

In addition to the village hall raids, federal agents searched a number of nonpublic entities last week, a source with knowledge of the investigation told the Tribune last week.

IDOT spokesman Guy Tridgell said in a statement Tuesday that the agency “has not received a subpoena for any records of communications between its employees and Sen. Sandoval.”

“The department will be transparent and cooperative with authorities as the investigation of Sen. Sandoval moves forward,” Tridgell said.

Sandoval remains chairman of the Transportation Committee. In that role, he was a key sponsor of legislation creating the \$45 billion “Rebuild Illinois” infrastructure plan Gov. J.B. Pritzker signed into law in June. Sandoval chaired hearings around the state this spring at which he pushed local officials and others requesting funding for their projects to get behind the tax increases that would provide the money.

In an emailed statement, Pritzker spokeswoman Jordan Abudayyeh said, “this administration expects public servants to be held to the highest ethical standards, and it is unconscionable to use elected office for monetary gain in any way.”

“State agencies will fully cooperate with any investigation,” the statement said. “Corruption and self-dealing will not be tolerated, and employees who have fallen short of these ethical standards will be disciplined, up to and including termination, and should be held accountable to the fullest extent of the law.”

Senate President John Cullerton, a Chicago Democrat, has said he needs more information about what investigators were looking for and whether it’s connected to Sandoval’s role in the Senate before making any decisions about his committee position.

“It’s very disturbing, but we don’t know anything about who they’re after, what they’re going after, so we’re going to wait and see what happens,” Cullerton said Thursday as he was heading into a political fundraiser he hosted at Harry Caray’s Italian Steakhouse on the Near North Side.

Cullerton said he hoped the week’s raids have “nothing to do with the legislature.”

“People have their own private lives, and they do bad things sometimes or are alleged to do bad things, but ... if it’s involving the legislature, then obviously that’s very disturbing,” he said.

Cullerton spokesman John Patterson repeated that stance Tuesday after the Senate president’s office released the documents.

“The Senate president wants to make informed decisions,” Patterson said. “Clearly, this is still an ongoing investigation.”

The decision to black out information in the documents “was guided by an attorney general’s opinion, case law and discussions with investigative authorities,” Patterson said.

The deletions stood in stark contrast to the response in January by the Chicago City Council’s Finance Committee, which released an unredacted copy of the search warrant filed when the FBI raided the offices of longtime Ald. Edward Burke in November. The committee also made public an unredacted list of what was seized in the raid, including files naming specific individuals, businesses and city projects.

In August, another Democratic state senator, Tom Cullerton of Villa Park, was shifted away from chairing the Senate Labor Committee after he was indicted on embezzlement charges alleging he pocketed almost \$275,000 in salary and benefits from the Teamsters union despite doing little or no work. Cullerton, who has pleaded not guilty, became chairman of the Veterans Affairs Committee. He is a distant cousin of the Senate president.

Cuomo-backed lobbying disclosure law struck down

A federal judge has struck down a sweeping state law that required nonprofits engaging in lobbying to disclose far more information about their donors than previously called for. The measure had been pushed by Gov. Andrew M. Cuomo's administration.

The law — passed at 3 a.m. on the final night of the 2016 legislative session — was widely viewed as having been targeted towards government reform groups that have been critical of Cuomo.

Federal Judge Denise Cote, ruling Monday in the Southern District of New York, wrote that the state law was overly broad and infringed on free speech rights.

"The First Amendment rights to publicly discuss and advocate on issues of public interest, and to do so anonymously, have long been recognized," Cote wrote. The state law "sweeps far more broadly than any disclosure law that has survived judicial scrutiny."

Attorney Randy Mastro represented the government reform group Citizens Union in the suit seeking to overturn the law. While Citizens Union has advocated for more transparency from elected officials, the group argued in this case that the donor disclosure law would chill the free speech rights of government critics and create major administrative burdens.

"This state law targeted not-for-profit 'good government' groups that have had the temerity to raise ethics issues and try to get the government to do better," Mastro said in a statement. "It's

blatantly unconstitutional, and we are therefore grateful to the court for invalidating it. The rule of law may be under siege in Washington these days, but today, it's alive and well in New York."

During the 2016 legislative session, Cuomo introduced a reform bill whose stated intention was to address political corruption in the wake of the 2010 Citizens United ruling by the U.S. Supreme Court, which allowed unlimited electoral spending by outside interest groups.

After Citizens Union and other New York reform groups critiqued Cuomo for not going far enough, especially in the wake of several major Albany corruption cases, a Cuomo spokesman called the groups "shadow lobbyists."

In January 2016, the Times Union published an article discussing how good government groups in New York sometimes do not disclose their donors, and how the donors that were publicly known have had connections to interest groups — such as the state teachers union or an anti-tort reform group — whose agendas some reform groups had pushed. The Cuomo administration cited the article in justifying their criticism of the organizations.

In the early morning of the legislative session's final day in June 2016, the ethics bill passed the Legislature. While the provisions combatting outside electoral spending had been widely known, the provisions targeting lobbying donors had barely been discussed before they were voted upon by the state Senate and Assembly.

In a statement, Cuomo spokesman Rich Azzopardi said the administration was considering an appeal of the federal judge's ruling.

"Everyone preaches transparency until transparency shows up on their own front door," Azzopardi said. "We are reviewing this decision and considering next steps, including appeal. But the question remains: What is the advocacy industrial complex hiding?"

Charitable organizations — designated by the IRS as "501(c)(3)s" — can take tax-deductible donations, but can only engage in limited amounts of lobbying under IRS rules. Issue-oriented nonprofits — designated as "501(c)(4)s" — can engage much more widely in advocacy.

Under state law, the charitable groups do not have to disclose their donors for Albany lobbying efforts, while issue-oriented nonprofits that hit certain spending thresholds must disclose them. But it's also not uncommon for the finances of the two types of nonprofits to overlap for a single organization — a situation the Cuomo-backed law had sought to address.

The law would have required 501(c)(3) charities to disclose all their donors of more than \$2,500 over six months if they contributed more than \$2,500 to substantial lobbying campaigns run out of issue-oriented nonprofits.

Critics of the law also were concerned about a provision mandating that 501(c)(4) nonprofit groups that spend more than \$10,000 a year on any public policy communications report the name and address of donors who give \$1,000 or more.

The New York Civil Liberties Union also filed litigation seeking to strike down the law, and was listed among the winning plaintiffs in Monday's federal ruling.

Lobbyists — ever in the hot seat — are just the messengers

Secretary of State Jena Griswold announced in a recent campaign fundraising letter that “the amount of money spent on lobbying this year reached an all-time record high.”

“Millions and millions are being spent to influence lawmakers, giving special interests disproportionate influence on our state,” she said. This letter is her second fundraising solicitation on the same topic. In a previous letter, she announced “In 2018 alone, lobbyists spent over \$33 million to influence Colorado elected officials. That’s more than was donated to every state senator and every state representative combined!”

In both appeals the secretary of state (SOS) asked for money from potential contributors, some of whom are lobbyists, to help with her cause to “eliminate (lobbying) loopholes and require more frequent reporting by lobbyists.” She also wants to eliminate her debt from the 2018 election.

Despite the secretary’s implication, legislators may not receive money or gifts from paid lobbyists. While lots of money goes from a variety of sources to campaign committees, PACs, etc., to support legislator elections, legislators don’t get any of it. That money goes to tv stations, consultants, printers, and mail companies. Lawmakers are not at the Capitol for the big bucks.

During a session of the legislature, lobbyists, not legislators, are paid by corporations, nonprofits, associations, and issue organizations. It's true that The Lobbyist Transparency Act, sponsored by Rep. Mike Weissman, will require lobbyists to report more frequently on who their paying clients are, bills tracked for those clients, and bill positions changed. But the lobby reports in 2020 will not make it easier for citizens to figure out who’s influencing whom for how much.

Right now, lobbyists reveal in the SOS client report the names of their clients, industry, and address. Contact information is spotty. Misspellings and missing information are common. System searches on “clients” require client names exactly as they’re stored in the system. For this reason, searches often come up empty.

Client data reports leave a lot off the record. The reports don’t reveal any of the individuals lobbying for a client, how much clients spend on lobbying, all the bills clients are tracking, and positions clients have taken on those bills. It’s impossible to piece the whole “influence” picture together. But the database underpinning the system likely contains the necessary information.

It’s unclear how Griswold knows that 2019’s lobby payments broke records. It’s also unclear what payments comprise the \$33 million spent “to influence Colorado elected officials” in 2018. No search available in the lobby system provides total dollars spent by lobbyists’ clients. Totals are probably inaccurate anyway because of the difficulty of clarifying who’s paid when lobbyists subcontract bill lobbying.

The SOS’s office held two meetings with its task force on The Lobbyist Transparency Act. Staffers took advice on how to make the system work better on the data entry side, but not many resources are available for improvements. Lobbyists pay a perfunctory fee to the SOS, but a lot more money is needed to re-build or re-do the electronic filing system.

Griswold’s most recent fundraising letter says she’s “working to increase transparency as much as I can and fight against dark money.” To accomplish that goal, she could consider donating contributions from her fundraising letters to the state to build a new lobby application.

Unless the secretary refocuses the lobbyist electronic filing system to produce comprehensive reporting on lobbyists’ clients, she’s missing the transparency mark. Lobbyists are the middle people between lawmakers and businesses, organizations, associations, and nonprofits. Clients call the shots.

Contributors and contributions to the newly elected secretary will not be reported in the lobby electronic filing system. Those names and numbers will be entered in Tracer, the SOS’s “transparent” campaign finance system.

Don’t even try to compare money in Tracer to money in the lobby system to figure out how lobbyists and their clients may have “influenced” elected officials’ decisions. People who do will end up bald from pulling their hair out.

[After Hospitals’ Donation to New York Democrats, a \\$140 Million Payout](#)

With Medicaid costs soaring in New York, the Greater New York Hospital Association was pushing for the seemingly impossible: more state reimbursement money.

It was a big ask, and for years, it had gone nowhere. Medicaid spending already represented an enormous and ever-growing share of the state budget, and Gov. Andrew M. Cuomo had [taken steps to keep the program in check](#).

Then things changed.

As Mr. Cuomo was locked in a [bitterly fought Democratic primary](#) last year, his campaign asked the association, one of Albany's most influential and richest power centers, to make a major donation to the State Democratic Party, according to a person familiar with the discussions.

The hospital association wrote two checks for the state party, totaling more than \$1 million, campaign finance reports show. It was twice as much as the association, which represents New York City's biggest health care institutions, had given to any campaign in at least a decade.

Soon after, the state quietly authorized an across-the-board increase in Medicaid reimbursement rates for the first time since 2008 — a move officials expect will cost the state roughly \$140 million a year in extra payments to hospitals and nursing homes.

The increase in Medicaid payments underscored the power of the hospital association, whose deep pockets and long alliance with an influential union, 1199 S.E.I.U., make it a fearsome presence in Albany. The association has increasingly eclipsed real estate as the Capitol's most influential lobbying force, as it pours funds into political campaigns; its top lobbyist is [among the biggest donors in New York](#).

Mr. Cuomo has denied that his decisions as governor are influenced by campaign contributions. State officials said the rate increase had been contemplated for months before the donations.

“Yes, health care costs are increasing and that is not a news flash, but rather a well-documented national phenomenon that has nothing to do with politics, the weather or religion,” said Richard Azzopardi, a spokesman for the governor. “The only news is how low our increases have been: 1.5 and 2 percent after flat funding for more than eight years.”

But the increased spending on hospitals raised questions over whether the Cuomo administration, as it provided a windfall to an influential lobbyist, ignored signs of a large and

looming shortfall in the Medicaid budget: By March, the state had exceeded its budgeted allocation by roughly \$1.7 billion, records show.

Rather than disclose that shortfall, officials attempted to conceal it during budget discussions in March. They then pulled off a fiscal sleight of hand, delaying \$1.7 billion in scheduled Medicaid payments by three days — effectively pushing the cost to the following year’s budget.

“It’s everything that’s wrong with Albany in one ugly deal,” said Bill Hammond, a health policy expert at the nonpartisan Empire Center who [first noticed the budgetary trick](#). “The governor was able to unilaterally direct a billion dollars to a major interest group while secretly accepting its campaign cash and papering over a massive deficit in the Medicaid program.”

Medicaid, which provides health care to those who cannot afford it, matches federal funds to state spending. New York’s program has long been among the nation’s most expensive, now reaching a total cost of [more than \\$75 billion](#), and Albany shifts more of the burden to local counties than most states do.

Mr. Cuomo, from the start of his administration, took [steps to reform the Medicaid system](#) and rein in spending, including the freeze on rate hikes for hospitals and nursing homes. The efforts saw some success, with several years of declining costs per Medicaid enrollee. But recently that trend has reversed.

Spending has grown in part because people are living longer, long-term care costs are rising and there has been an expansion of the number of people covered by Medicaid, officials and analysts said. Democratic initiatives have also added costs, notably with the rise in New York’s minimum wage.

As Medicaid spending grew last year, Mr. Cuomo found himself in a tricky situation: He was [facing an energetic primary challenge from Cynthia Nixon](#), who supported a “Medicaid for all” plan for the state. If he were to try to crack down on Medicaid spending, he would risk alienating some Democratic voters, as well as the hospital lobby.

At the same time, [insurgent Democrats](#) were running successful primaries against longtime office holders, upending the balance of power in the State Senate.

“The politics were that the governor during the primary season was being pulled further and further to the left,” said Lev Ginsburg of the Business Council of New York State. “So at that point, he was not going to do things that were going to be unacceptable to the left.”

The governor instead found a stopgap: He negotiated a \$2 billion payment to the state from the sale of a nonprofit Roman Catholic health insurance company, Fidelis, using that money to create a health care fund that he would control. Much of the money so far has gone to hospitals and other providers, in part to offset the cost of new labor contracts. (The sale is [under review by the federal Medicaid agency](#).)

Robert Mujica, the state budget director, said the Medicaid reimbursement rate increase was directly tied to the Fidelis sale — and that he told the hospitals lobbying for the increase that it would be.

“They lobby for it every year,” Mr. Mujica said. “I was very matter of fact: If I have the money, I’ll be able to do it; if I didn’t have the money, I won’t be able to do it.”

The hospital association and the union lobbied hard for the Fidelis deal, Mr. Mujica said.

Then last August, Greater New York Hospital Association dumped more than \$1 million into the housekeeping account of the State Democratic Party, which Mr. Cuomo controls.

Housekeeping accounts, which can accept unlimited donations, are, in principle, for spending related to party activities, not particular candidates. But in practice, the state party has used its account [to promote the governor’s agenda](#). (Mr. Cuomo proposed limiting donations to the housekeeping accounts in early 2018, but the changes were not adopted.)

Because of the nature of the account, the association’s donations were not publicly disclosed until more than a month after the election. Neither Mr. Cuomo’s campaign nor the hospital association disputed that a campaign official solicited the contribution.

Brian Conway, a spokesman for the hospital association, said the donations were part of a strategy to combat “terrible health care policies from Washington, D.C.”

“The contributions were in recognition of New York Democrats’ commitment to protecting the state’s health care delivery system in the face of this federal assault, which continues to this day,” Mr. Conway said.

The Medicaid rate increase went into effect in November; the Health Department placed a short public notice on Pages 90-91 of the State Register a day before the rate increases — 2 percent for hospitals and 1.5 percent for nursing homes — went into effect.

Mr. Mujica, the state's top budget official, said he was not told about the Medicaid gap until late March. "My fiscal planning people came to me and said we had a Medicaid issue," he recalled in a telephone interview.

By then, the Department of Health had already realized there was a problem, forcing the state to rely on what it calls "cash management" — paying the outstanding Medicaid bills from surplus discretionary cash in the budget.

Mr. Mujica said the governor was not told of the issue. "A payment lag of three days was not something that had to rise to that level," he said.

Health officials disclosed the last-minute maneuver in [a monthly report issued in March](#), adding that it was not the first time the state had done so; in recent years, the health department "managed the timing of payments across state fiscal years that ranged from \$50 million to roughly \$435 million," the report said.

Around that time, with the state concerned over federal tax law changes, Mr. Cuomo did [propose a major cut](#) to Medicaid in his executive budget proposal. It was furiously opposed by the hospital association and 1199. A month later, the governor withdrew the plan. Mr. Mujica said neither he nor the governor were aware at the time of the budget shortfall.

The state still has no plan for what to do about the sharp rise in Medicaid spending, officials acknowledged.

Officials also have yet to account for the excess spending in its budget plan, raising the possibility that the payment delays could happen again next year. The monthly reports on Medicaid spending, which had been posted online, [stopped appearing after March](#).

[Elizabeth Warren proposes massive tax on big business, special interest group lobbying](#)

White House hopeful Elizabeth Warren wants to impose a massive tax on lobbying activities, creating a new levy that she hopes will nudge some of the nation's biggest companies and special interest groups toward curtailing federal lobbying.

"My new lobbying tax will make hiring armies of lobbyists significantly more expensive for the largest corporate influencers like Blue Cross Blue Shield, Boeing, and Comcast," Warren said. "Sure, this may mean that some corporations and industry groups will choose to reduce their lobbying expenditures, raising less tax revenue down the road — but in that case, all the better."

The proposal might face long odds — a seeming longshot in a divided Congress in which both sides of the aisle have deep ties to lobbyists — but it marks Warren’s latest effort to press her case to voters that she’s the candidate most in tune with looking out for working-class Americans. It also comes amidst growing angst in tech and financial sectors about her growing popularity in polls

Under the the Massachusetts senator's legislative proposal, companies that spend between \$500,000 and \$1 million per year on lobbying Congress and federal agencies would pay a 35% tax on those expenditures.

For every dollar above \$1 million spent on lobbying, the rate will increase to 60% – and for every dollar above \$5 million, it would increase to 75%, Warren explained in a Medium post. Under data [compiled from the Center for Responsive Politics](#), Warren’s proposal would have resulted in companies such as Koch Industries, Pfizer, Boeing, Microsoft, Walmart, and Exxon being subject to the 75% rate for lobbying spending above \$5 million in every year over the last decade.

Warren [in March unveiled a plan](#) that called for regulators to roll back big tech mergers such as Amazon acquiring Whole Foods and Facebook purchasing the messaging platform WhatsApp and Instagram.

Warren then [slammed Facebook CEO Mark Zuckerberg Tuesday](#) after The Verge published leaked audio in which he lamented that if Warren were elected president Facebook would find itself caught in a legal battle with U.S. government.

"If she gets elected president, then I would bet that we will have a legal challenge, and I would bet that we will win the legal challenge," Zuckerberg said in the audio that was among snippets from two meetings held with Facebook employees in July. "And does that still suck for us? Yeah."

She took to Twitter last week to push back against a CNBC report [citing anonymous Democratic Wall Street donors who told the financial network they would sit out the election or support Trump in Warren becomes the nominee](#).

“I’m fighting for an economy and a government that works for all of us, not just the wealthy and well-connected,” Warren tweeted. “I’m not afraid of anonymous quotes, and wealthy donors don't get to buy this process. I won't back down from fighting for the big, structural change we need.”

Warren has steadily climbed in the polls. She hovered in the single-digit percentages in most national and early voting states' polls early in the year. Two recent polls — one in the [first-in-the-nation caucus state of Iowa](#) and a national survey of voters — found her slightly ahead of former Vice President Joe Biden.

Where would the money go

Warren says revenue generated by her lobbying tax would be poured into a “Lobby Defense Trust Fund” that would be used to reinstate the dormant Office of Technology Assessment and increase the budget for congressional support agencies, such as the Congressional Budget Office. The senator said she'd also push to have revenue used to fund a public advocate's office tasked with helping Americans “engage with federal agencies and fight for the public interest in the rule-making process.”

Warren's plan also calls for using the money to bolster federal agencies that are being inundated by companies or industries lobbying against a rule.

She noted that having such a mechanism would have been helpful during the Obama administration when financial industry lobbyists successfully stymied the Department of Labor's proposed “fiduciary rule,” which would have limited brokers abilities to put fees and commissions ahead of earning returns for their clients' retirement accounts.

After a public hearing on the rule, the agency received more than 100 comments —[including 45 from members of Congress](#) — that seemed to repeat industry talking points. Under law, agencies must respond to all concerns laid out in the public comments; the Obama Labor Department ended up withdrawing the proposed rule amid the flood of comments.

“Every time a company above the \$500,000 threshold spends money lobbying against a rule from a federal agency, the taxes on that spending will go directly to the agency to help it fight back,” Warren wrote of her proposal. “In 2010, DOL could have used that money to hire more staffers to complete the rule more quickly and intake the flood of industry comments opposing it.”

