



[As members of Congress head for the exits, loosely regulated gravy train beckons](#)

The road from Capitol Hill to K Street is designed to have a speed bump.

By law, members of Congress and their senior staffers are supposed to have a one- to two-year cooling-off period in which they refrain from lobbying their former colleagues.

But nearly 120 former members and senior staffers since 2015 have been the sole lobbyist or part of a lobbying team targeting their former chamber during their cooling-off periods, according to a McClatchy analysis of post-employment restriction data from the House and Senate as well as lobbying registration data.

That doesn't necessarily mean they broke the law.

Those rules are limited in terms of what they specifically prohibit former members and staffers from doing. They ban direct contact with current members or staffers, but do not ban providing behind-the-scenes advice to other lobbyists on who they should contact and what they should say — essentially using a cutout. Former staffers from the House of Representatives are only restricted from lobbying their former office or committee. Lobbying other branches of government isn't prohibited. And the system effectively operates on the honor system.

The lobbying rules, designed to prevent former lawmakers from immediately profiting from their political connections, are more important than ever as Washington sees a strikingly rapid exodus of elected officials, some of them weary of the toxic partisanship and eager to cash in on more lucrative opportunities.

Violating the cooling-off period is punishable by up to five years in prison and a fine of up to \$50,000, but lobbyists who break the law are unlikely to be detected. While the House and the Senate are responsible for flagging potential lobbying violations, both the offices of the House clerk and the secretary of the Senate confirmed to McClatchy that neither regularly checks whether lobbyists have violated the cooling-off period.

The Government Accountability Office annually audits a random sampling of lobbying forms for compliance with lobbying rules, but told McClatchy it doesn't check for compliance with the cooling-off period. And while the U.S. Attorney's Office in Washington D.C. is responsible for bringing charges against potential violators, the office couldn't recall any recent instances in which it actually did.

When presented with McClatchy's findings, former Wisconsin Democratic Sen. Russ Feingold, best known for his work with former Sen. John McCain on a 2002 campaign finance law, said Congress should revisit the lobbying laws, which were last updated in 2007.

"At a minimum, Congress should insist that the clerk of the House and the secretary of the Senate review lobbying registrations to determine if former members and staff may be violating the law and refer potential violations to the U.S. Attorney's Office for investigation and prosecution," Feingold said. "We included tougher revolving-door restrictions in the 2007 lobbying reform package but without enforcement that law doesn't mean much."

McClatchy's analysis flagged three former members of Congress — Louisiana Sen. David Vitter, California Rep. Howard "Buck" McKeon, and Florida Rep. Ileana Ros-Lehtinen — whose lobbying forms indicated they had either directly lobbied their former chamber during their cooling-off period or been part of a team targeting their former chamber.

All three are Republicans, and more than 70 percent of the former members and staffers identified in the analysis were from Republican offices.

Republicans controlled both chambers of Congress for much of the period in the analysis and more than 10 percent of the Republican staffers on the list worked for the Republican leadership in one of the two chambers.

But the analysis flagged former staffers from both ends of the ideological spectrum, with aides to several Democrats on the list, including Bernie Sanders' former chief of staff, Michaeleen Crowell.

And McClatchy's analysis doesn't take into account so-called shadow lobbying, whereby former members of Congress and top aides provide many of the same services as a lobbyist but below the legal threshold of activity that would require them to register.

“You’re looking at the tip of the iceberg,” said Meredith McGehee, executive director of the group Issue One, which seeks to reduce the role of money in politics. “You’re looking at the people who bothered to register.”

Mining former connections on the hill

The [2007 update of the lobbying laws](#) came in the wake of the lobbying scandal that sent super lobbyist [Jack Abramoff](#) and former Congressman [Bob Ney, R-Ohio](#), to prison for their roles in a scheme in which Abramoff and other lobbyists defrauded Native American tribes seeking gaming licenses and lavished expensive gifts and campaign donations on Ney and other politicians in exchange for political favors.

The law banned gifts from lobbyists to members of Congress or their staff — and increased the penalty for violating the lobbying rules to as much as a \$200,000 fine or five years in prison.

But it left the cooling-off period largely unchanged. When the Senate tried to extend the cooling-off period to two years for members of the House and Senate, the House balked at adopting the same two-year cooling-off period Senators face.

Extending the cooling-off period has historically been met with resistance because many in Congress see it as an unfair imposition, McGehee said.

She was involved in a previous rewrite of the lobbying laws in 1995 as a lobbyist at the government watchdog group Common Cause.

“I have a very vivid recollection of sitting down with a chief of staff of a House member and getting reamed because I was going to deprive this chief of staff from the ability to make a living after leaving Congress,” McGehee said.

The current rules didn’t limit two former members of the House from playing a role in lobbying work that targeted their former chamber during their first year out of office.

Ros-Lehtinen, who left office in 2018, inked a deal to represent a former political supporter from the Miami area, Oscar Cerna, who has been involved in a 15-year dispute with the government of Honduras, which he said drove his Honduran cement company out of business. Ros-Lehtinen, a former chair of the House Foreign Affairs Committee, had been among Cerna’s staunchest supporters in Congress, [writing a 2007 letter](#) to then-Honduran President Jose Manuel Zelaya pressing Cerna’s case.

Cerna, for his part, [contributed \\$14,500](#) to committees supporting Ros-Lehtinen over the past two decades. So it was perhaps not surprising that Cerna turned to Ros-Lehtinen to continue to press his case as a lobbyist. When she retired in 2018, his company Cermar Investments LLC, hired Ros-Lehtinen and another lobbyist at the firm Akin Gump Strauss Hauer & Feld, which she joined soon after leaving Congress.

Cerna's company has so far paid \$30,000 to Akin Gump and Ros-Lehtinen is one of a team of two lobbyists who have together targeted the House, Senate, State Department and Executive Office of the President on Cermar's behalf. The forms don't indicate which bodies, if any, Ros-Lehtinen lobbied herself and former members are not prohibited from lobbying other branches during their cooling-off period.

Ros-Lehtinen, a monthly columnist for the Miami Herald, declined through a spokesperson to comment directly. A spokesperson for Akin Gump issued the following statement in response to questions directed at Ros-Lehtinen and other Akin Gump lobbyists identified in McClatchy's analysis: "The firm is fully aware of and abides by all relevant ethical requirements in its lobbying activities, including post-employment lobbying restrictions of former members and senior staff."

McKeon, the former chairman of the House Armed Services Committee, also represented a client he had prior dealings with during his time in Congress.

In the wake of the September 2013 shooting at the Washington D.C. Navy Yard, McKeon pushed for the public release of an [internal Pentagon report](#) that found security flaws in a system used by the Navy to give contractors and other short-term personnel temporary access to military sites and called for the Navy to stop using the system.

The system hadn't been responsible for giving access to the Navy Yard shooter, but McKeon nevertheless called for the critical report's public release.

"The report details critical flaws in the practice of contracting access control for military installations to non-governmental personnel," McKeon said in a statement. "I believe it to be relevant to physical security on military installations."

Despite the report, the company managed to keep its contracts with the Navy and it hired McKeon's newly formed lobbying firm two years later after McKeon left office.

McKeon said a form that indicated he had lobbied the House of Representatives on the company's behalf in 2015 was a mistake and that he had limited his lobbying work to the Pentagon. He said his lobbying firm would be submitting an amended form.

"I know that there are people from both the House and Senate that try to skirt the issue," McKeon told McClatchy. "I purposely registered early on so that we wouldn't do that."

Former Louisiana Sen. Vitter also told McClatchy that two forms filed in 2017 indicating that he had lobbied House and Senate directly on behalf of a Texas public entity, the Chambers County Improvement District No. 1, had been filed in error.

"I appreciate your pointing them out," Vitter said by e-mail. "They are incorrect, and I have directed our compliance staff to correct them immediately."

No one had previously pointed out to either Vitter or McKeon that the incorrect forms seemed to show them doing work impermissible during the cooling-off period.

And no one flagged another report McClatchy found that appeared to show that one staffer had signed his first lobbying clients while still on a congressional payroll. James Peterson's name appeared on lobbying registration forms dated to 2015 — while he was still a legislative assistant to Democratic Sen. Dianne Feinstein — to represent the California cities of Huron and Riverbank. Peterson told McClatchy the forms had been filed in error by the lobbying firm he worked for after leaving Feinstein's office in early 2016, Townsend Public Affairs.

"I had no idea they had been submitted," Peterson said.

Anatomy of a lobbying campaign

The current lobbying rules provide ample leeway for former members of Congress or staffers to be involved in the lobbying process without violating the cooling-off period restrictions. The rules ban direct contact with current members of Congress and their staffs, but do not ban providing strategic advice on who to contact or even what to say. And the rules apply only to contact with congressional offices, not the White House or federal agencies.

"The very purpose of revolving-door restrictions is to prevent former members and staffers from profiting on their inside connections for influence-peddling on behalf of paying clients," said Craig Holman, the lobbyist for Public Citizen, a consumer advocacy group that seeks to limit corporate influence on public policy. "Yet lobby they do, as full partners of the lobby team, organizing and strategizing the lobbying campaign for whoever pays them."

Vitter's lobbying on behalf of the Texas public entity provides a window into the lobbying work that a former member can do during the cooling-off period while staying on the right side of the law.

McClatchy obtained documents through a Texas public records request that show the efforts of his team at the lobbying firm Mercury Public Affairs to help the Chambers County district win a grant from the TIGER program, a multi-billion dollar competitive transportation grant originally launched as part of the Obama administration's economic stimulus plan. The program attracted notice when one of the projects it financed, the Florida International University bridge, collapsed while under construction, killing six on March 15, 2018.

The Texas project, led by William F. Scott, a major Republican donor who had given \$25,000 several years earlier to a pro-Vitter super PAC, decided to hire Vitter's team in October 2017.

Vitter's first suggestion was that they target Texas Rep. Brian Babin, a Republican on the House Transportation and Infrastructure Committee.

"I know Brian pretty well," Vitter wrote. "And he's on the DOT oversight committee — an ideal U.S. House member to get fired up in support and help corral and lead nearby colleagues."

Vitter's team then spent months reaching out to congressional offices and federal agencies ahead of a D.C. trip they organized for Scott and his team in early 2018. The itinerary included meetings with Republican Texas Sens. John Cornyn and Ted Cruz, several members of the House — including Babin — as well as the White House, the Department of Transportation and Energy Secretary Rick Perry.

Vitter made clear to McClatchy that he himself did not reach out to congressional offices directly during his cooling-off period.

"I very carefully followed Senate rules by not having any contact with congressional offices on lobbying matters for two years following my service in the Senate," Vitter said. "For those two years, the congressional part of Mercury's Chambers County Improvement District No. 1 work was handled by others in the firm."

Vitter did directly lobby the Department of Transportation and its secretary, Elaine Chao, which is not prohibited by the law. He and his team met with senior officials at the department who told them "pretty directly that U.S. senators calling in meant a lot to the secretary [whose husband is Senate majority leader]," Vitter wrote to his clients.

He instructed his clients to redouble their efforts at winning Cornyn's support and told them exactly what to ask for from the Texas senator and how to ask for it.

Vitter also picked up the phone and called Chao directly to sell the project.

"After several minutes of small talk regarding my family and New Orleans, which she pursued, I outlined the strengths of the application very thoroughly," Vitter wrote.

Vitter's help wasn't enough for the project win a grant in 2018, but earlier this year, Vitter told his clients that he was already hard at work trying to help them find federal money and would no longer be encumbered by any restrictions.

"[N]ow that my two-year cooling-off period has ended ... I can lobby members directly," Vitter wrote.

A spin through the revolving door

The last rewrite of the lobbying laws left largely unchanged the restrictions on former top staffers —staffers who make at least 75 percent of what a member of Congress is paid, which is currently \$174,000.

The rules ban former top Senate staffers from lobbying the Senate for a year, while they ban former House staffers from lobbying either the member they worked for or the committee they worked on for the same one-year period, depending on their role.

It's common for lobbyists to work as part of a team and the forms don't require members of the team to specify which office they targeted. That can make it challenging to determine whether a former member or staffer has actually violated his or her cooling-off restrictions.

McClatchy found one former senior Senate staffer, Christopher Kearney, who went out of his way to specify on his form that he had not lobbied the Senate during his cooling-off period, but his form is the exception.

"The firm and I felt that it was important out of an abundance of caution to make it crystal clear that I did not lobby the Senate," Kearney said.

McClatchy's analysis identified more than 100 former senior staffers who gave no such indication on their lobbying forms.

That includes a former top aide to Republican Senate Majority Leader Mitch McConnell, Brendan Dunn, who, at Akin Gump, has been part of several lobbying teams that targeted the Senate for a number of blue-chip clients, including tobacco company Altria, CVS, and Qualcomm. Dunn, whose company bio touts his experience advising Republican leadership on retirement matters, was the sole lobbyist for the American Council of Life Insurers, lobbying the House on a retirement savings bill that had been introduced in the Senate while he was still working for McConnell. A spokesman at Dunn's firm told McClatchy that Dunn had fully complied with the cooling-off rules.

The analysis also tabbed a staffer-turned-lobbyist who has already taken another spin through the revolving door. Bill Cooper, the current general counsel at the Department of Energy, previously lobbied the House in 2017 and 2018 on Puerto Rico electricity issues for Scotiabank, one of the top lenders to the Puerto Rico Electric Power Authority, as well as the North American affiliate of the French natural gas company ENGIE, which owns a large stake in a Puerto Rican energy company. That lobbying came soon after he left his post at the House Natural Resources Committee.

Cooper's filings didn't indicate which committees or offices in the House he lobbied, and the lobbying work didn't come up in his Senate confirmation hearings for his current position at the Energy Department. A spokesperson for the department said Cooper complied with all relevant rules and regulations. As general counsel for the department, Cooper is charged with overseeing the agency's compliance with ethics rules.

The analysis also flagged former staffers from the other end of the political spectrum, including Michaelleen Crowell, the former chief of staff to Vermont Sen. and Democratic presidential candidate Bernie Sanders. Crowell was part of teams at the firm S-3 Group that lobbied the Senate on behalf of 11 clients, including the Sinclair Broadcast Group, Boeing, Duke Energy and the Internet Association, a trade group for major tech companies such as Google, Amazon and Facebook. Crowell's lobbying teams brought in more than \$1 million for their lobbying work during her first year out of the Senate.

Crowell told McClatchy that she would be amending the forms to make clear that she herself had not lobbied the Senate during her cooling-off period.

"I never lobbied the Senate during the ban at all," Crowell said. "I was very serious about not even having the appearance of an improper contact."

Of course, if it were up to her former boss, Crowell wouldn't be lobbying at all. Sanders has said that if elected president he would institute a lifetime lobbying ban for former members of Congress and their senior staffers.

Issue Ads a “Powerful Weapon” in the Lobbyist Arsenal

Issue advocacy in ads is a form of lobbying that indirectly attempts to influence decision-making by elected officials. So, what exactly is issue advocacy, or as some would say, issue advertising?

Perhaps the most famous- and effective- example occurred in 1993.

Remembered as the Harry and Louise ads, the television spot portrayed a middle-class couple discussing President Clinton's plan for comprehensive healthcare.

A decidedly negative narrator states “the government may force us to pick from a few healthcare plans designed by government bureaucrats” to which Harry responds, “If they choose, we lose.”

The ad is often credited with helping to defeat the president's healthcare plan in 1993.

Harry and Louise reappeared in 2009, only this time in support of the Patient Protection and Affordable Care Act, otherwise known as Obamacare.

Sitting at the kitchen table, Harry points to an article in a newspaper which notes “healthcare costs are up again. Small companies are being forced to cut their plans” causing Louise to maintain that the next president needs to “make something happen.”

The ad is thought to have helped build support for the passage of the Affordable Care Act.

Estimated to cost between \$14 and \$20 million, the 1993 advertisement was underwritten by the Health Insurance Association of America. Later, in 2009, the pharmaceutical industry trade group Families USA sponsored Harry and Louise's multi-million ad buy.

Closer to home in New Jersey, the American Petroleum Institute and PSE&G recently did battle in dueling issue advocacy campaigns, this time including direct mail.

The contentious issue involved a \$300 million proposed subsidy to PSE&G for the purpose of keeping three nuclear power plants open.

In one direct mail ad distributed in 2018, PSE&G prevails upon individual citizens to “contact your Trenton lawmakers to support a nuclear safety net,” maintaining that “for a low cost, carbon-free future, New Jersey needs nuclear.”

The opposing America Petroleum Institute ad exclaims “PSE&G Wants a Big Bailout.” It then goes on to implore citizens to “say no to the Big Bailout for PSE&G” by contacting their local legislator. The ad provides the name and phone number of the Senator or Assembly person in question.

The bill permitting the subsidies was enacted in May 2018 and the Board of Public Utilities (BPU) imposed it, though the Division of Rate Counsel has filed an appeal that remains pending.

The objective of issue advocacy is really no different than that of traditional lobbying. Traditional, or old school lobbying, employs paid professionals to contact elected officials directly in an attempt to influence public policy.

Issue advocacy lobbying attempts to do the same thing, only indirectly using a variety of tools, including T.V., radio, newspaper and social media advertising, all in an attempt to encourage viewers or recipients of ads to themselves contact elected officials about issues they care about.

In other words, million-dollar issue advocacy campaigns attempt to influence public policy by reinforcing the opinions of the citizenry and in turn inviting them to communicate their support or opposition to an issue to their representatives.

As noted in *Interest Group Politics*, edited by Allan J. Cigler and Burdett A Loomis, “issue advertising is a particular form of grassroots advocacy . . . Outside lobbying occurs when organized interests attempt to influence elected representatives indirectly by influencing the attitudes/or behavior of citizens whose subsequent votes the re-election minded representatives will seek.”

ELEC anticipated this trend in 1990, when White Paper 5- Lobbying Reform (written by this columnist) called for disclosure of expenditures for spending on grassroots lobbying.

“Through direct mail techniques, telemarketing, polling, and broadcast media, for instance, support or opposition to an issue can be mobilized as well as communicated to the public officials in question. Combined with a strong public relations effort, which includes building support among the press, these mass communications techniques could constitute a powerful

weapon in the lobbyists campaign to mobilize and organize 'grassroots' support on behalf of the interests they represent.

Fourteen years later, a law was enacted in 2004 that required lobbyists to publicly detail this activity.

Genuine issue advocacy constitutes a campaign by special interests, usually wealthy and high-powered, to mobilize the public in support or opposition to issues under consideration by elected officials.

It is different than electioneering communication or election advocacy, though the line between the two types of advertising sometimes can be blurry.

Clever advertising people can produce ads prior to an election that discuss an issue in a negative or positive way and that ties a candidate to it in a way that is understood by any reasonable person as an ad in support or opposition to the candidate

Pure issue advocacy usually takes place between elections and not during them. It is a form of lobbying that is more sophisticated than traditional lobbying, utilizing mass media instead of direct contact by paid professional lobbyists to reach the same goal- influencing public policy.

This type of indirect lobbying is increasingly used by well-funded interest groups for a simple reason- it works.

Rallying the public behind an issue using this form of advocacy often can be a more effective strategy for influencing public policy than old school, "up close and personal" lobbying.

Jeff Brindle is the Executive Director of the New Jersey Election Law Enforcement Commission. The opinions presented here are his own and not necessarily those of the Commission.

[\\$100M taxpayer-funded campaign finance system moves one step closer to law](#)

A panel controlled by Democratic appointees has given the final OK to the workings of a \$100 million public financing program for political candidates in New York while simultaneously making it harder for minor parties to automatically qualify for positions on the ballot.

The New York State Public Campaign Financing Commission on Monday wrapped up its three-month sprint of public meetings with votes to lower contribution limits for those candidates who participate in a public campaign financing system, though still sharply higher than many states and even for those running for president of the United States.

Critics dismissed it as a plan put together by representatives of powerful incumbents, led by Democrats who now control Albany, at the expense of future minor party and independent candidates.

The panel, created this year by Gov. Andrew M. Cuomo and lawmakers after they failed to cut their own election law deal, will issue its final report by Dec. 1. Lawmakers then have until mid-December to return to Albany to change the panel's work or they automatically go into law.

There is nothing, however, to stop lawmakers and Cuomo next year or whenever from changing anything the commission developed.

The legality of having an unelected group enact major election law changes already has been challenged in state court.

The program will not be in place for the next statewide elections in 2022, and its total annual costs will be capped, for now, at \$100 million in taxpayer matching grants for all candidates. It also grows the bureaucracy at unknown levels; one board member said the plan requires "a much bigger unit" within the state Board of Elections to administer and regulate the new initiative. A new seven-person paid board, composed of Democratic and Republican appointees, will oversee the public financing components.

A statewide candidate, under the new program, will be eligible for up to \$7 million in taxpayer matching grants to fund primary and general election campaigns.

The matching program varies by office being sought, but the board approved a measure to have the state match donations of \$250 or less – a route intended to encourage candidates to engage more small donors.

"Matchable" donations are those made between \$5 and \$250, and non-matchable include loans, transfers from other politicians' campaigns, donations from lobbyists or in-kind contributions, such as providing food for a candidate's event.

The board lowered current campaign donation limits for those participating in the program. Statewide candidates can get up to \$70,000 from individual donors; the board Monday set the

new limit at \$18,000, down from \$25,000 pushed by board member Jay Jacobs, who is also Cuomo's hand-picked state Democratic Party chairman.

Individual donations to Senate candidate donations, now at \$19,300, will be capped at \$10,000 apiece.

For Assembly candidates, well, that got muddled before being settled. The panel last week set the cap at \$5,000, down from the present \$9,400 limit on Assembly donations. On Monday morning, a motion to revisit last week's vote and raise the new level to \$6,000 was rejected. An hour later, in walked a tardy commission member – a Cuomo appointee. The motion was brought back up and, rather matter-of-factly, the higher, \$6,000 was approved without any real explanation why it was needed.

Among the most controversial tasks the panel approved was an increase in the number of votes that a party must receive every two years in order to automatically have a place on the ballot. A party's candidate for governor – for a race held once every four years – must get 50,000 votes. The new requirement sets it at 130,000 votes, or 2% of the total vote, whichever is higher, every two years in gubernatorial and presidential races.

In a room at Westchester Community College where the panel met, a small but noisy crowd immediately started booing and yelling. Among the loudest critics of the higher voter threshold is the Working Families Party, a liberal party with which Cuomo has had long chilly relations. That party – as well as those such as the Green Party, Women's Equality Party – would not make it on the ballot if their numbers of votes their candidates received in part gubernatorial elections continue in the future.

It would leave, based on the 2018 elections, only the Democratic, Republican and Conservative parties with automatic ballot placements.

"It's a troubling issue," said board member John Nonna, who was appointed by Senate Majority Leader Andrea Stewart-Cousins. He backed the idea as a compromise in order to get approved the larger piece of the panel's work: public financing of campaigns.

"We're not looking to target any party," Jacobs said. He said any "credible" party will be able to attain the new threshold numbers and that the measure was important or a flood of candidates seeking taxpayer assistance with their campaigns could bankrupt the new system.

The Working Families Party, which backed actress and activist Cynthia Nixon against Cuomo in last year's Democratic Party primary for governor, said revenge was at play Monday. The small

but influential party called the tougher ballot rules “a power grab by the governor and his allies to consolidate power and weaken independent progressive political organizing.”

Marc Dunlea, a longtime Green Party leader, took to Twitter during the board’s meeting.

“Dems are only able to lower statewide contribution limits by 28% but they can more than double thresholds for ballot status and triple the threshold for statewide independents to get on the ballot. Cuomo and state legislative leaders believe voters will let them get away with it,” he wrote. [The 28% figure refers to how much the commission lowered a previous plan to set statewide candidate donation limits at \$25,000. Jacobs notes the actual decrease under the final, agreed-to dollar limit level for statewide candidates compared with current law is 75%.]

Some of the commission’s work was hardly based on any kind of study, and dollar amounts and voting amounts seemed to be tossed out as if the event were an auction.

At one point, a motion was offered to change from 15,000 to 45,000 the number of signatures independent candidates running for statewide office needed to qualify for a place on the ballot.

“This is not an unreasonable effort,” Jacobs told his fellow panel members of his idea, which, admittedly, would make it harder for candidates by often-unknown organizations – with names such as the Unity Party or the Rent Is Too Damn High party – to get on the ballot. Such a winnowing is not unreasonable, backers said, to protect taxpayer money by a rash of unknown candidates from at-times unknown groups rushing to the ballot to become eligible for public matching dollars to finance their campaigns.

The plan was rejected.

An alternative was offered: 25,000 signatures. Rejected.

Another compromise motion: 30,000 signatures. Rejected, too.

Then, the board took a 25-minute break with the microphones and the video stream turned off.

When the panel returned before the public, one of the original no votes – an appointee of Senate GOP Leader John Flanagan – asked for the motion to be reconsidered, saying he hadn't had time before to think things through. After a quick explanation by the sponsor for the idea’s need, the original 45,000 signature requirement idea was approved.

Two of the panel members said they voted yes believing that a court will likely overturn the change because the commission was not charged by the Legislature and Cuomo with looking at such changes in the election law.

The entire package was approved 7-2, with the no votes coming from the only two Republican appointees on the panel.

Commission members used terms like "compromise" and "good starting ground" to describe the end product.

Critics, however, say the election law changes keep in place big donation possibilities not only to individual candidates but to political parties; one group noted parties will still be able to bring in "virtually uncapped" contributions, which in turn they can pump into efforts to help candidates.

Fair Elections for New York, a coalition of union, community and religious organizations, said the commission's product fell woefully short of the election law changes that are needed in New York and said the panel "inappropriately moved to kill or severely wound New York's minor parties." It called on legislative leaders to bring lawmakers back to Albany "to fix the commission's shortcomings" before its plans technically become non-binding in late December.

Reinvent Albany, a watchdog group, said the commission mistakenly left in place big donation limits, a "flawed" state elections board to oversee enforcement of the campaign finance laws and ignored calls to restrict donations by entities and individuals with business before state government. The group said the commission did some good, but did not listen to the "enormous public outcry to fundamentally reduce the role of big money" in New York State politics.

The commission's end product, said Susan Lerner, executive director of Common Cause/NY, "represents a setback, not a step forward." She said lawmakers should return to Albany prior to the 2020 regular session start in January and kill the commission's plan and re-start a process to "get it right."

Michigan lawmakers' new gig: consulting, not lobbying

Former state Rep. Scott Dianda registered as a lobbyist seven months after leaving the Michigan House, but four months later he still hadn't disclosed who hired him.

The reason, Dianda said, is because he hasn't been lobbying for anyone. Instead, the former ranking Democrat on the House Regulatory Reform Committee has simply been advising people in the marijuana industry who are interested in Northern Michigan, he says.

"I'm full of advice," Dianda added with a laugh.

The former Upper Peninsula lawmaker is not the only one. More Michigan lawmakers who left the Legislature because of term limits at the end of 2018 are using their skills as consultants — positions that fall outside disclosure requirements — than as lobbyists whose clients must be publicly disclosed, according to a Detroit News analysis of business filings and lobbying disclosures.

Of the 45 state lawmakers who departed because of term limits at the end of 2018, eight are registered as lobbyists. Five of the lawmakers have publicly disclosed clients, according to records filed with the Michigan Secretary of State.

At least 14 lawmakers — nearly 1 in every 3 lawmakers who left office at the end of 2018 because of term limits — have launched businesses that appear to offer consulting services, have acknowledged working as a consultant or are registered lobbyists without publicly disclosed lobbying clients.

The number of lawmakers becoming consultants or lobbyists cuts against the idea that term limits, approved by voters in 1992, would end "cozy relationships" within the Capitol, said Marjorie Sarbaugh-Thompson, a Wayne State University professor who has studied the impact of term limits.

"Relationships just are the lifeblood of the Legislature," Sarbaugh-Thompson said. "They are going to have relationships with somebody."

Ex-lawmakers said the difference between consulting and lobbying is lobbyists communicate directly with lawmakers and high-ranking state officials to advance policy changes on behalf of groups while consultants advise groups on how to achieve their goals.

In the eyes of Michigan law, it's a critical distinction. Individuals who are paid to directly communicate with officials must register as lobbyists, and their employers must publicly disclose they've hired the individuals.

11% don't disclose clients

Former Sen. John Proos, a Republican from St. Joseph, formed a business called JP4 Government Solutions on Feb. 21, less than two months after leaving the Legislature. He registered April 16 as a lobbyist. However, he has no disclosed lobbying clients.

Proos said he's been using his experience as a state lawmaker to provide consulting services and guidance within the legislative process. But he hasn't been lobbying, he said.

"I wanted to make sure it was completely clean," Proos said of why he registered as a lobbyist.

The former state representative and senator declined to say for which groups he's been consulting. That disclosure would be up to the groups themselves, said Proos, 49, who served 14 years in the Legislature.

The Proos story is not unusual. About 11% of active lobbyists — 73 of 646 individuals — who registered within the last five years don't have disclosed clients or their only listed clients are consulting businesses, according to The News' analysis.

The requirement to disclose an individual lobbyist's employer doesn't fall on the lobbyist, said Michael Doyle, spokesman for the Michigan Secretary of State. It falls on the lobbyist's employer, he said.

Among the 73 registered lobbyists without disclosed clients are Dianda, Proos and former Senate Majority Floor Leader Mike Kowall, a Republican from White Lake, who had been hired by Oakland County, according to media reports.

Former Rep. Michael Callton, a Republican from Nashville, is another. He left the Michigan House because of term limits at the end of 2016.

Callton, who championed medical marijuana legislation, said he's been consulting for clients in the marijuana industry. He said the work has focused on the licensing process and municipal regulations, which are areas that fall outside of state lobby disclosure laws.

Callton said he knows of people who have "crossed the line" between lobbying and consulting by communicating directly with high-ranking state officials about policy changes. But he said, "I am not going to name names."

Stronger disclosure rules urged

The public deserves to know when individuals are being paid to get legislation through the Legislature or advance policy changes, said Lonnie Scott, executive director of the liberal group Progress Michigan, which has called for reforms to Michigan's lobby laws.

“The problem comes when there’s a gray area between consulting and lobbying,” Scott added.

Two state senators who left office at the end of 2018 started consulting businesses, registered as lobbyists and have publicly disclosed clients.

Former Sen. Mike Green, a Republican from Mayville, has created Greens Governmental Consulting, which formed before Green even left the Senate on Dec. 18, according to state business records. The firm's lone disclosed client is The Lighthouse Inc., a rehabilitation center in Caro.

Former Sen. Goeff Hansen, a Republican from Hart, started Hansen Solutions on Dec. 26, according to state business records. Hansen is a registered lobbyist for the multi-client firm Mainstreet Legislative Consultants, according to lobbying disclosures.

But many of the term-limited lawmakers from 2018 who've gone into consulting haven't registered as lobbyists.

The individuals wouldn't be covered by a proposed cooling-off period before ex-lawmakers can become lobbyists in Michigan. That reform has been floated as an idea that could garner support for [a potential ballot proposal to extend term limits](#), which has been discussed by lawmakers, the Michigan Chamber of Commerce and the government reform group Voters Not Politicians.

The two former leaders of the House and Senate both launched consulting businesses within a month of leaving the Legislature.

Former Senate Majority Leader Arlan Meekhof, R-West Olive, formed ARM Consulting Services on Jan. 14, according to state business records. Former House Speaker Tom Leonard, R-DeWitt, created MiStrategies nine days later on Jan. 23. Leonard's first consulting client [was Quicken Loans Chairman Dan Gilbert](#), he voluntarily disclosed.

Former Sen. Coleman Young II, a Democrat from Detroit, has a business called Coleman Young Consulting, according to a website. The firm's offered services include "cannabis business development."

"Here at Coleman Young Consultants, we are intimately familiar with the legislation as our founder, Coleman A. Young II, was instrumental in assisting the passing of the bill in the State House," the website says.

Former Rep. Klint Kesto, a Republican from Commerce Township, also worked on medical marijuana policy while in the House. The cities of Westland and Pontiac have tapped Kesto, a lawyer by trade, to help with their municipal marijuana regulations. Kesto said his work was no bigger deal than someone doing consulting on any other topic.

From the other side of the aisle, former Rep. Henry Yanez, a Democrat from Sterling Heights, is helping with a campaign to get Gaylord to allow marijuana businesses under Michigan law. Yanez started a business called Campaign One in July, but the business isn't active yet, he said.

Former Rep. Tim Kelly, a Republican from Saginaw, launched a business called Shamrock Strategies on April 1. Kelly said the business is just a "shell" at this point.

Former Sen. Phil Pavlov, a Republican from St. Clair, started Grindstone Strategies on April 30, 2018. Sen. Patrick Colbeck, a Republican from Canton Township, started MI Grassroots Alliance on Nov. 14, 2018. Pavlov couldn't be reached for comment.

Colbeck said in a Tuesday email that he doesn't "make a dime" off the alliance.

The alliance's Facebook page says its mission is to "promote grassroots candidates who adhere to policy positions intended to benefit citizens-at-large not lobbyists."

Other lawmakers have taken a different route into the consulting world by joining an existing firm. Fraser Consulting, a subsidiary of Fraser Trebilcock law firm, announced the hiring of former Sen. David Robertson, a Republican from Grand Blanc, on Nov. 4. Robertson is now the firm's director of governmental affairs.

[Former House Speaker DiMasi: 'I've Paid My Debt To Society'](#)

Former House Speaker Salvatore DiMasi on Tuesday made a public appeal for a "second chance" after his conviction on federal corruption charges eight years ago, resuming his battle with Secretary of State William Galvin over the Democrat's quest to return to Beacon Hill as a lobbyist.

DiMasi, a former North End Democrat who led the House from 2004 until 2009, said he wants the chance to build a new career advocating on issues like homelessness and prison reform. Galvin denied his application to register as a lobbyist in March based on his conviction, but DiMasi appealed that decision and appeared before a hearing officer Tuesday to formally make his case.

"Whatever you think I did, I think I've paid my debt to society and I think I can get a second chance to be a contributing citizen so that I can benefit the citizens of Massachusetts," DiMasi told reporters after the hearing. "That's all I always wanted to do during my career, as you know, passing all of that monumental legislation, health care for all. So basically I feel like that's my purpose in life so hopefully I can do that."

DiMasi, who was granted an early release from prison due to his battle with cancer, said he was feeling "pretty well" and looking forward to Thanksgiving. He was joined at the hearing by his wife Debbie DiMasi and his lawyer Meredith Fierro.

"I think I can contribute a great deal," DiMasi said. "I want to help the homeless. I have a great deal of experience in the Legislature in those issues, health care, criminal justice reform, especially. There are a lot of things I feel strongly about, and I'd love to be able to contribute as much as I can to make this a better state and a better country. God knows we need some improvement."

DiMasi resigned from the Legislature in January 2009 under a cloud of suspicion that ended in his conviction in 2011 in federal court for accepting kickbacks in exchange for steering lucrative state contracts to a Burlington software company, Cognos.

Galvin's lobbying division argued Tuesday that DiMasi's criminal conviction merits an automatic disqualification from lobbying on Beacon Hill for 10 years under state law, but Fierro said Galvin was "overstepping his authority."

The law, Fierro argued, only speaks to criminal convictions in state court for violations of state lobbying, campaign finance and ethics laws. The law, she said, says nothing about federal crimes or conduct proved in federal court that could be deemed in violation of state law.

"Even if there is an omission in the statutory language, whether intentional or inadvertent, it is not for the secretary of state to fill in his own language," Fierro said. "The secretary is not a lawmaker and he does not have the power to unilaterally amend the statute, yet that is exactly what the lobbyist division has done in order to reach its desired result, which is to disqualify Mr. DiMasi from registering as a lobbyist."

Fierro requested from the hearing officer an expedited decision within 45 days. DiMasi's case is being heard by Peter Cassidy, who is typically an attorney with Galvin's Securities Division.

"This has been going on long enough already, so if we do not have a favorable decision we would like to get to the court as quickly as possible," Fierro said to reporters.

Attorney Marissa Soto-Ortiz, who has been representing the Lobbying Division in DiMasi's case, said that accepting Fierro's interpretation of the state lobbying laws would "result in an absurd and unworkable result."

Soto-Ortiz said DiMasi's case was the impetus for a 2009 ethics reform law, and contended that the Legislature "fully intended to prevent those committing these types of crimes from lobbying for 10 years."

She said it's common for enforcement agencies like the secretary of state's office to be given "deference" in how they interpret state statutes, and argued that DiMasi's federal crimes were clear violations of state law as well.

Fierro said that prior to 2009 the secretary of state had the discretion to disqualify a lobbyist applicant based on conduct and after a confidential hearing, but that provision was repealed by lawmakers and replaced with the automatic disqualification provisions.

She said legislators subsequently rejected an amendment offered by Minority Leader Brad Jones to make any conviction in state or federal court a disqualifying offense for lobbying.

That debate, part of a larger conversation over a new ethics law, unfolded shortly after DeLeo was elected speaker, winning a succession fight against Rep. John Rogers, and taking over for DiMasi.

Galvin's office has also floated the "alternate theory" that DiMasi's application could have been rejected based on his failure to lobby in 2005 and 2006 when he was accepting money in exchange for advocating for state contracts for Cognos.

Though DiMasi was a legislator at the time, Soto-Ortiz has argued that his actions met the definition of lobbying, which he was not registered to do. Fierro told Cassidy that this argument should be dismissed because not only was DiMasi a member of the Legislature at the time, but Galvin's office never convened a confidential hearing required under state law if it planned to pursue a civil lobbying violation against DiMasi.

Soto-Ortiz said that such a hearing would be called if and when it became necessary.

"We clearly made it known that a hearing would be able to be called," she told Cassidy.

There is no timeline for Cassidy to make his ruling, but Fierro asked that he make his decision by early January.

Debbie DiMasi, who became an advocate for her husband's "compassionate release" from prison when he was battling cancer, said her husband deserves a "second chance" to lobby on issues like prisoner rights.

"He has always wanted to do good," Debbie DiMasi said. "I believe as everyone should in second chances, and it's just drawn out a long time and I think it's quite unfair, to be honest with you."

DiMasi has been retained by the Massachusetts Housing and Shelter Alliance to lobby at the State House, and has also registered to lobby at Boston City Hall for Compassionate Organics, a medical marijuana company that was seeking help with siting and permitting a dispensary on Newbury Street.

"He wants to be able to help people and he should be allowed to do that," Debbie DiMasi said.

[PAC donations to Independence mayor, days before vote on project, draw FBI interest](#)

Just days before voting to spend nearly \$1 million to buy a golf course for a solar farm project in 2017, Independence Mayor Eileen Weir received more than \$10,000 from political action committees funded by the company that would go on to operate the project.

Each of the PACs is also connected to the company's lobbyist: Steve Tilley, a former Missouri lawmaker and longtime adviser to Gov. Mike Parson.

Two years later, [FBI agents have been asking questions about the project](#) and another approved by the city council in 2017.

After a city council meeting Monday evening, Weir defended her donations, telling a Star reporter there was no relationship between the donations and her vote.

"No, I report all of my donations to the Missouri Ethics Commission," she said. "And I haven't had any violations or questions about those."

Pressed further on whether the donations influenced the decision, the mayor paused. She then said: "I don't know what you're referring to," before walking away from a reporter.

Yet the timing of the donations, Tilley's role and the FBI's subsequent interest, have raised suspicions among some city officials about the land deal.

"This tangled web has been going on for years," said Karen DeLuccie, a member of the Independence City Council who [told The Star she was interviewed by the FBI](#) earlier this month. "I think it looks just awful. It's a real shame."

Scott Roberson, another council member contacted by the FBI, said the entire situation "looks very bad."

"At the very least," he said, "it looks like a conflict of interest."

Brendan Fischer, director of federal reform with the Washington, D.C.,-based campaign-finance watchdog Campaign Legal Center, said that while he can't speak to the legality of the donations, the timing "certainly creates the appearance that the money was given as an incentive or reward."

Rockwood Golf Club

On Oct. 18, 2017, Weir's campaign received \$2,600 checks from two political action committees: Missouri C PAC and Missouri Growth PAC. They were followed, two days later, by two additional \$2,600 checks from MO Majority PAC and MO Leadership Committee.

All four PACs had recently received \$8,750 in donations from [Gardner Capital, a Springfield private equity firm](#) that employs Tilley, a former Missouri House Speaker, as a lobbyist.

On Oct. 23, 2017, Weir and the council [voted in executive session to authorize the city manager to purchase the 94-acre former Rockwood Golf Club](#) for \$985,000. The plan was to build a solar farm in a joint venture with Gardner Capital and [its construction partner](#), Lee's Summit-based MC Power.

The money used to purchase the golf club came from another Tilley lobbying client, the city's utility, Independence Power & Light.

Andy Boatright, the former acting director of Independence Power & Light, told The Star IPL staff had concerns about the solar farm project at the time.

He said his staff wanted to consider a procurement process to find the most cost-effective way of expanding the utility's solar power portfolio, which was "something that staff was not allowed to pursue."

Analysis by the utility projected that [Independence could lose more than \\$15 million on solar energy projects](#) over the next 25 years.

The city bought the golf course from a Kansas-based investment firm called Titan Fish, which had [purchased the property just a few months earlier for \\$550,000](#) from a local company that had [owned the closed course since 2012](#).

In August 2019, Titan Fish hired Tilley as its lobbyist.

Tilley, whose firm is currently among those in the running for an [open contract to lobby state government for Kansas City](#), did not respond to a request for comment by The Star. Neither did Gardner Capital.

FBI Questions

While he has no formal role with any of the PACs that donated to Weir, Tilley's connections to each run deep:

- MO Majority PAC was founded in 2015 with a \$560,000 contribution from Tilley's campaign committee.
- Missouri Growth PAC's treasurer is Tilley's father, and it pays Tilley's sister for bookkeeping services.
- Missouri C PAC was organized in August 2017 by John Burcham, an employee of Tilley's lobbying firm, [Strategic Capitol Consulting](#).
- MO Leadership Committee's treasurer is Tom Burcham, John's father and a longtime friend and political donor to Tilley.

The four \$2,600 donations were the largest that Weir collected in 2017 in the run-up to her campaign for a second term as mayor.

She was also the only candidate for local office to receive a donation from these PACs that year. The rest were directed to Missouri state legislative candidates.

Earlier in 2017, another political action committee connected to Tilley – Missouri AG PAC – donated \$300 apiece to Independence Councilmen Curt Dougherty and Tom Van Camp.

Around that same time both councilmen also received \$500 checks from Mark Gardner, president of Gardner Capital.

Both councilmen would go on to support the solar farm project.

Approached by a reporter after Monday's council meeting, Van Camp said "no comments," before being asked any questions.

Roberson and DeLuccie separately confirmed to The Star last week that they had recently been [contacted by FBI agents about the solar farm and another controversial project approved by the council in 2017](#).

Both council members said they were aware of others who had also been questioned by the FBI but declined to name them.

Roberson said Tilley came up during his interview.

"I spoke with the FBI a little bit about Steve Tilley," Roberson said, "but I don't know anything about Steve Tilley except for what's been reported."

\$10 Million Contract

The other project FBI agents inquired about, according to Roberson and DeLuccie, was a nearly \$10 million contract awarded to a St. Louis company to [decommission an electric power plant in Missouri City](#) owned by [Independence Power & Light](#).

The \$10 million price tag was twice the amount bid by another company for the project.

The company that won the contract, Environmental Operations, is owned by Stacy Hastie, a regular donor to Tilley in the General Assembly who [lent him a private plane](#) to attend campaign events.

Tilley's relationship with Hastie has drawn attention before, most notably in 2012 when lawmakers earmarked more than [\\$1 million to a project being co-developed by Hastie's company](#).

Hastie did not respond to a request for comment by The Star. But he told the St. Louis Business Journal that [his company has "done nothing wrong."](#)

"We did a lot of community engagement up there," Hastie told the Business Journal, "and our competitors did not."

Tilley also has a longstanding relationship with John Diehl, who served as Environmental Operations general counsel when the Independence contract was awarded. Diehl resigned from the legislature in 2015 after [The Star revealed his relationship with a 19-year-old statehouse intern](#).

The Public Utility Advisory Board, a citizen-led committee that makes recommendations about Independence Power & Light, did not support awarding the contract to Environmental Operations.

Boatright, the former acting director of Independence Power & Light, told The Star that IPL staff did not want to recommend Environmental Operations because the lower bidder "had more relevant experience, and the decision was ultimately taken out of our hands."

Lawmaker-Turned-Lobbyist

This latest brush with controversy is nothing new for Tilley.

In 2009, while he was serving as majority leader of the Missouri House, [the FBI questioned lawmakers about his role in blocking legislation that would](#) have undercut lawsuits filed by Tom Burcham, the longtime friend and treasurer for one of the PACs that donated to Weir.

The legislation would have allowed cities to continue imposing multiple sales taxes for general purposes or capital improvements. Burcham had sued several cities arguing that the practice violated state law.

Burcham was awarded \$20,000 in attorneys fees in one of the lawsuits, which he said he later donated to charity.

[Burcham's PAC had contributed more than \\$100,000 to Tilley](#), though both denied any wrongdoing.

When he resigned from the legislature in 2012, Tilley still had more than \$1 million in his campaign committee. He invested a big portion of it in a Perryville bank, and later to donate to candidates who then hired Tilley's consulting firm.

Lawmakers felt Tilley had found a loophole in Missouri's campaign finance laws, ultimately taking aim at his practices by passing legislation in 2016 [requiring elected officials to dissolve their campaign committees](#) when they register with the Missouri Ethics Commission as lobbyists.

He was hired to represent Independence Power & Light in 2016. The city council voted to [increase his pay in 2018](#) from \$66,000 to \$120,000.

Tilley has drawn increased attention of late due to his close relationship with Missouri Gov. Mike Parson.

Parson and Tilley have been friends for years, and Tilley has long served as a political adviser to the governor. Analysis by The Star found [a quarter of every dollar raised during the first six months of 2019 to elect Parson governor was connected to Tilley](#).

And since Parson took the oath of office in June 2018, Tilley's business has greatly expanded.

The week before Parson took over as governor Tilley was registered to lobby for 25 clients, according to data provided by the Missouri Ethics Commission.

In the 17 months since he has registered to represent 62 new clients.

[Ex-lobbyist gets 7 years for role in Arkansas corruption scheme](#)

Former lobbyist Milton "Rusty" Cranford received a seven-year prison sentence Monday for his role in a bribery scandal that also led to the convictions of five Arkansas legislators.

The investigation is not over, federal officials have said.

Cranford appeared before U.S. District Judge Brian Wimes in Springfield because that is where his former employer, Preferred Family Healthcare, is based.

Cranford spent almost \$4 million making illegal campaign donations, kickbacks and other gifts to Arkansas lawmakers between 2011 and 2017 to ensure the nonprofit behavioral health provider received grants, favorable legislation and relief from scrutiny, according to his guilty plea.

Company executives also committed Medicaid fraud to overcharge state taxpayers, according to guilty pleas and indictments in the case.

From fiscal 2011 to 2018, Preferred Family received \$245 million from Arkansas in Medicaid payments, one-third more than the state's second-largest behavioral health provider during that time, according to state data.

Cranford and other executives embezzled from the nonprofit, according to federal prosecutors.

Cranford alone is liable for returning \$3.73 million in taxpayer money, Wimes ruled Monday. Wimes approved forfeiture of most of Cranford's remaining assets, but the total is likely a fraction of the \$3.73 million, the judge was told during Monday's hearing.

"I would like to say I'm sorry for anyone hurt by my bad choices," Cranford told the judge.

He added that he was deeply sorry for the consequences of his choices on his three children, one of whom is a minor with autism and another who has serious behavioral health issues, according to previous court testimony.

Wimes agreed to Cranford's request to serve his sentence at the federal prison in Texarkana, Texas, so his children could visit him from where they live in Bodcaw in Nevada County.

The judge noted that the sentence could have been longer. Cranford faced up to 10 years in prison.

"I hope this helps others to realize that they should help weed out not only corruption, but other crimes," Wimes said. "This is not a light sentence, but it is a heck of a lot lighter than it could have been."

Wimes stressed to Cranford that he was getting a great deal of benefit for his cooperation after committing a serious crime.

"Bribery fosters the impression the government is up for sale to the highest bidder," the judge said. Therefore, it has severe consequences that extend beyond those directly affected, he said.

Claiborne Ferguson, a Memphis-based federal criminal defense attorney who is not affiliated with the case, said the seven-year sentence is "pretty darn high" for a nonviolent crime.

"It's definitely going to send a message of deterrence," said Ferguson, who practices in Arkansas, Mississippi and Tennessee.

Cranford, 60, has been in the Greene County, Mo., jail in Springfield since his Feb. 21, 2018, arrest at his home in Bentonville. He was denied bail in March 2018 in part because he discussed having a co-conspirator killed before his arrest.

Wimes gave Cranford credit for the 22 months he has been in jail. He also sentenced him to three years of probation to begin after he serves his prison sentence.

Cranford pleaded guilty to one count of federal program bribery on June 7.

He took orders from Tom and Bontiea Goss of Springfield, married, former executives at Preferred Family, according to court records. The couple is set to stand trial on related charges in April 2021.

Preferred Family was a nonprofit health care company based in Kirksville, Mo., untouched by scandal before it merged with Alternative Opportunities in 2015. The company has used the name Preferred Family since.

Alternative Opportunities was founded by the Gosses. Tom Goss was chief financial officer, and Bontiea Goss was chief operating officer of Preferred Family before being dismissed by the company's board in November 2017, after U.S. Justice Department attorneys met with the company's board of directors and legal counsel to brief them on the investigation's findings to that date.

An attorney for Bontiea Goss did not respond to requests for comment.

Springdale attorney Chris Plumlee, representing Tom Goss, said: "My client doesn't have anything to say at this time above and beyond comments previously provided."

COOPERATION NOTED

Cranford became both a manager of and lobbyist for Alternative Opportunities in Arkansas in 2007. Cranford's contract with the nonprofit company was terminated on June 2, 2017, after news of the scandal broke with the indictment of Arkansas lawmakers earlier that year.

Preferred Family operated substance abuse and behavioral health treatment centers in five states, including Arkansas. It had 47 sites in Arkansas alone before having to sell them off after losing its Medicaid certification in the state during the federal public corruption probe.

Since his guilty plea, Cranford has appeared before federal grand juries three times, met with federal investigators 10 times and has also met with investigators for the state of Arkansas, federal prosecutors said at a hearing last month.

Cranford's cooperation was vital in obtaining indictments against almost everyone arrested so far in the fraud scheme, according to his defense attorney, Nathan Garrett of Kansas City, Mo.

Assistant U.S. Attorney Ben Wulff, who represented the government at Monday's sentencing, confirmed that Cranford's cooperation has been both extensive and valuable to investigators. That is why the government entered a joint motion with the defense recommending the seven-year sentence rather than the maximum, despite the severity of the crimes involved, Wulff told the judge.

Should Cranford testify at a trial in the future, prosecutors could go back to Wimes and ask that his sentence be reduced, Ferguson said.

"He could still potentially be working towards further reductions in that sentence depending on what his role is in these future case," the Memphis-based attorney said, referring to Rule 35 of the Federal Rules of Criminal Procedure.

The rule allows the government to request a sentencing trim for specific reasons. One of those reasons is for information provided by a defendant that the government uses down the road.

Wulff is assigned to the U.S. Department of Justice's Western District of Arkansas, but was representing the government by arrangement with the Western District of Missouri, where Cranford was charged.

Both the Eastern and Western districts of Arkansas have joined the Missouri district in the ongoing investigation. Marco Palmieri of the Public Integrity Section of the U.S. Department of Justice was also present during the sentencing.

LAWMAKERS IN SCHEME

Four of the five lawmakers convicted of conspiracy-related charges in the case were serving in the Legislature at the time of the bribes. The fifth joined Cranford's lobbying firm and took part in the scheme as a lobbyist after leaving office. Those are former Rep. Micah Neal and former Sen. Jon Woods, both Springdale Republicans; former Rep. Eddie Cooper, D-Melbourne, who joined Cranford's lobbying firm; former Rep. Henry "Hank" Wilkins IV, D-Pine Bluff; and former Sen. Jeremy Hutchinson, R-Little Rock.

Woods is serving an 18-year prison sentence for a kickback he took in return for a state grant he steered to a company Cranford controlled, along with other kickbacks taken from grants to Ecclesia College in Springdale. Cranford played no role in the Ecclesia kickbacks.

Now-former Ecclesia President Oren Paris III of Springdale, who pleaded guilty to conspiracy, is serving a three-year prison sentence. A private consultant for Ecclesia, Randell Shelton, is serving a six-year sentence for his part in that scheme. All three of those cases are on appeal.

Marilyn Nolan, former chief executive officer for Preferred Family, has also pleaded guilty in the federal investigation along with the company's former chief of clinical services, Keith Fraser Noble. Both those executives are from Springfield.

All of those charged who have pleaded guilty in the two-state federal probe await sentencing except Cranford. Woods was convicted at trial. Other former Preferred Family administrators in Arkansas also face state charges in Arkansas for Medicaid fraud.

Cranford's arrest came after a Missouri federal grand jury indicted him on one count of federal program bribery and eight counts of accepting bribes.

The murder-for-hire allegation against Cranford never resulted in any charges. Cranford accomplice D.A. Jones, a lobbyist based in Philadelphia, informed Cranford in late 2017 he was going to confess and plead guilty in the federal investigation of the fraud scheme.

Cranford later approached a longtime acquaintance and told him Jones needed to "disappear," according to court documents. The supposed hit man has not been named publicly in federal court documents. Unbeknownst to Cranford, the man he approached had already agreed to be an FBI informant in another matter, federal prosecutors have said.

Cranford first registered as a lobbyist in Arkansas in 2005, secretary of state records show. His lobbying firms over the years include Cranford and Associates and the Cranford Coalition.

[State lobbyist makes millions running video gambling company from Chicago movie studio](#)

Frank J. Cortese has spent his life in the shadows of government.

Cortese started as a “patronage guy” in the Illinois secretary of state’s office more than 30 years ago, helping oversee political hiring, later working in the governor’s office as a liaison to unions.

People who know Cortese say he got his nickname — “Frankie the Wheel” — because he was a “wheeler and dealer” who got things done.

Cortese left state government 16 years ago and became a lobbyist, schmoozing elected officials quietly but effectively in the state capitol and City Hall, primarily on behalf of labor leaders such as Chicago Teamsters boss John Coli Sr.

Coli’s muscle helped Cortese land his highest-profile client, Cinespace Chicago Film Studios, whose president Alexander S. Pissios wound up secretly recording conversations that led to Coli’s indictment two years ago for extorting money from the studio. Coli, who has left the Teamsters, has pleaded guilty and is cooperating with the feds.

And now Cortese has parlayed his government connections into a jackpot.

Over the past three years, state records show the gambling company Cortese runs from his office inside Cinespace took in more than \$12 million, with Cortese’s company, the establishments hosting the machines and state government each pocketing roughly a third of that total.

His gambling company, FJC Technologies LLC, operates 75 video gambling machines at restaurants and bars in the suburbs from Aurora to Bridgeview to Mount Prospect. Salerno’s Pizza is his biggest customer, with 20 machines in four locations.

Pissios’ attorney says the video gambling company pays rent to lease space from Pissios or Cinespace, which converted the former Ryerson Steel plant into a hulking movie studio with the help of \$27.7 million in state grants Cortese helped obtain under then-Gov. Pat Quinn. The next governor, Bruce Rauner, forced Cinespace to return one of those grants worth \$10 million amid questions about how the money was going to be used.

Cortese's name has repeatedly surfaced during the feds' on-going investigation of Coli and Cinespace.

He was in the middle of the FBI's inquiry regarding the purchase of a diamond engagement ring that Quinn's campaign manager, Louis Bertuca, gave to his fiancée, Brooke Anderson, who was Quinn's press secretary. Pissios has told the feds he contributed \$500 towards the purchase of the ring, all at Cortese's suggestion around the time Cinespace sought its last state grant.

Cortese — who was married in 2011 by Illinois Supreme Court Justice Anne M. Burke, wife of Ald. Edward M. Burke — runs his lobbying activities from the Loop office of Professional National Title Network, owned by attorney Kevin J. Cooney. Cooney provided his 76-foot yacht and two-person crew so Coli could sail around Italy, one of many illegal benefits the feds say the Teamsters boss reaped.

And Cortese's lobbying business, Government Consulting Services of Illinois, subcontracts work to former Chicago Ald. Michael Zalewski, who retired from the City Council in May 2018 and is now under federal investigation. It's unclear what work Cortese has assigned to Zalewski, who is a registered lobbyist at the state capitol. But Zalewski's criminal defense attorney, Thomas Breen, says it doesn't involve Cinespace. Breen also represents Pissios, who was facing charges of bankruptcy fraud when he agreed to cooperate against Coli, and received a non-prosecution agreement from the feds.

Cortese, 55, stopped lobbying for the Teamsters a few months ago and he has terminated all his lobbying activities at City Hall. He didn't respond to messages left at his businesses in Chicago or his home in west suburban La Grange, or with his lawyers.

Since 2006, Cortese and his companies have made campaign contributions totaling \$187,225 to various politicians, including Illinois House Speaker Michael J. Madigan, state Senate President John Cullerton, former Cook County Assessor Joseph Berrios, former state Sen. James DeLeo and state Sen. Steven Landek, who is also the mayor of Bridgeview where Cortese operates 10 video gambling machines.

Raised in Bridgeport, Cortese was managing a small restaurant just north of Sox Park when he landed a job in 1987 with then-Illinois Secretary of State Jim Edgar. Cortese, at 23, started in the personnel department. After Edgar was elected governor in 1990, Cortese landed jobs with other state agencies, ending up in the governor's office under Edgar and his successor, Gov. George Ryan, as a conduit to labor leaders who usually aligned themselves with Democrats rather than Republicans like Edgar and Ryan.

“Frank worked in, what we could legally call then, the patronage office,” Edgar said. “He was a very personable guy. He was hardworking.”

Edgar said Cortese worked for patronage director Janis Cellini. Cellini’s brother, William F. Cellini, was a Republican power broker who went to prison for attempted extortion related to state pension fund investments.

Although Cortese isn’t a lawyer, the law firm of Greenberg Traurig hired him in 2001 for its lobbying practice. The firm’s lobbying practice was led by two attorneys — Brian F. Hynes and Victor Reyes. Hynes is a close associate of former Ald. Danny Solis, who secretly recorded conversations with Ald. Edward M. Burke. Reyes is a former top aide to Mayor Richard M. Daley, and Reyes was also caught on the Solis wiretaps. The lobbying team also included Elgie Sims Jr., who is now a state senator.

After a few years, the law firm’s lobbying group went out on its own, picking up various clients including the Teamsters and Cinespace. Pissios has told the feds he hired Cortese at Coli’s urging a decade ago, bypassing another lobbyist, John Kelly Jr., who was the choice of James Banks, a clout-heavy zoning lawyer and chairman of Belmont Bank & Trust, where the studio deposited the state grants.

Eight years ago, Cortese set up his own lobbying business, Government Consulting Services of Illinois, with the help of a clout-heavy law firm of Burke Burns & Pinelli, whose attorneys have donated heavily to Madigan’s campaigns over the years. Among the partners at the firm: state Sen. Don Harmon, who is vying to replace the retiring Cullerton as Illinois Senate president. Cortese used the law firm to set up his gambling company four years ago, records show.

Cortese, who is registered to lobby state and city officials, has a string of clients, including Cooney’s title company, Cinespace, several unions connected to the movie studio, including the Theatrical Stage Employees Union Local 2, and a handful of suburban municipalities, including Bridgeview and Oak Lawn where Cortese operates video gambling machines.

Cortese is the sole owner of the gambling company, according to documents submitted to the Illinois Gaming Board by his lawyers, who include William Bogot and Donna More, who is planning to challenge Cook County State’s Attorney Kim Foxx in next year’s election.

More declined to talk about Cortese.

Cortese is also part of an on-going battle over land the Chicago Board of Education controls at 31st and Kedzie, the former home of the Washburne Trade School.

Cinespace and St. Anthony Hospital both want to redevelop the site, and both sides met earlier this year with officials at City Hall to try to work out a deal.

Reyes was at the meeting representing St. Anthony, and Pissios and Cortese were there on behalf of Cinespace.

Real Estate Thought It Was Invincible in New York. It Wasn't.

This was the year that New York bit back against big real estate.

First, a slate of Democratic candidates declared that they would not take money from real estate developers. They swept into state office last fall, displacing incumbents who were friendly to the industry.

Then in February, Queens officials, bucking the mayor and governor, [scuttled Amazon's plan](#) to open a huge headquarters there, snubbing the promise of 25,000 jobs.

In June, the new Democratic majority in Albany [passed historic protections](#) for renters, reversing decades of a Republican-controlled Senate chipping away at these laws.

Real estate had for so long seemed invincible. And then, suddenly, it wasn't.

"It's a brave new world," said Jay Martin, executive director of the [Community Housing Improvement Program](#), or CHIP, a trade group for 4,000 building owners and managers.

"The Socialist Democrats who pushed that agenda are emboldened," he said. "They believe that was the first step, and they're not going to stop. And if we simply take a breather and think they couldn't possibly make things any worse, that's exactly what's going to happen."

This is a story of how the city's most fearsome industry overestimated its power and got kicked in the teeth by voters and legislators who suddenly don't want their money.

The reversal gets right to the city's core: taxes from real estate provide more than half of the city's budget. Now billionaire powerhouses are trying to learn tactics of grass-roots groups, and progressive outsiders, after decades in the wilderness, are learning how to be a majority.

In Washington, every battle involves the polarizing subject of President Trump. In New York, it is all about real estate.

So is the power of real estate diminished in New York? Maybe.

Some context: For years, the real estate industry and lawmakers in Albany were remarkably in sync.

Since 2000, the industry has poured more than \$100 million into state-level elections in New York, according to the [National Institute on Money in Politics](#), including \$19 million alone to Gov. Andrew M. Cuomo.

State and city lawmakers, in turn, rezoned neighborhoods for ever-taller buildings, cut protections for renters and subsidized residents of luxury towers. Since 1994, New York City has seen a net decline of [nearly 150,000](#) rent stabilized apartments, either through deregulation or conversion to co-ops or private use.

Liz Krueger, a Democratic state senator who has fought the industry, estimated that one tax subsidy, for development projects that include a percentage of lower-priced rental apartments, is now costing the city as much as \$4 billion a year in lost tax revenue.

“Real estate on many levels has been more powerful than local government or state government,” she said.

All that changed last fall, when Democrats took control of the State Senate, displacing both Republicans and members of the Independent Democratic Caucus, a group of Democrats — heavily supported by real estate — who voted with Republicans on relaxing rent regulations.

“They were fighting tooth-and-nail for the interests of their donors,” said Michael Gianaris, deputy majority leader in the Senate, who came to prominence pushing the campaign against Amazon. Mr. Gianaris, who in the past had received more than \$250,000 from real estate interests, announced that neither he nor the Democratic Senate Campaign Committee would still accept their money.

“I thought it was important to make a statement,” Mr. Gianaris said. “This new majority doesn’t operate that way, and I don’t operate that way.”

The new majority passed laws blocking landlords from deregulating apartments or passing along most costs of improvements to tenants. Just as significant, the lawmakers closed an election

loophole that had enabled developers to funnel almost unlimited contributions to politicians through multiple limited liability corporations.

As the bills moved through the legislature, a group of top developers, including Douglas Durst, Richard LeFrak and William C. Rudin — some of Governor Cuomo's biggest donors — [called the governor directly](#) to intervene.

“They thought the governor would step in and negotiate a compromise,” said Joe Strasburg, president of the Rent Stabilization Association, a landlords' group that opposes expanded protections for renters.

The governor did not.

Instead, the progressive wave that swept Alexandria Ocasio-Cortez into the United States Congress was now hitting the city's most powerful industry, the people who literally make New York.

Tenant activists, who had labored for decades against impossible odds, suddenly found their voice in the majority. The industry had badly underestimated the momentum against it, and now it was scrambling to regroup.

“Now you have a very monotone, ideological, left-leaning government, and they've dramatically moved against all the real estate interests,” said Gary Barnett, the head of Extell Development, whose portfolio features a number of controversial buildings, including the supertall One57, where a penthouse apartment recently sold for \$100 million.

“It's a cheap headline for any politician to get up and say, ‘I'm not going to take money from real estate people,’ because we can't take our buildings and go somewhere else,” Mr. Barnett said. “We are the guys you can hit without consequence, except there's going to be really serious consequences.”

The day the rent laws passed, the president of the Real Estate Board of New York, the industry's main lobbying arm, declared it “a disaster for the city's future.”

It was time for a different tack.

Two weeks later the president of REBNY, John H. Banks, stepped down, replaced by his No. 2, James Whelan. In and out of city government, Mr. Whelan had facilitated development in Coney

Island and industrial Queens, and led the Hudson Yards Coalition, a group of developers and unions that tried (and failed) to build a stadium on Manhattan's West Side.

“Jim Whelan is a bridge builder who has a history of working with strange bedfellows,” said John Raskin, head of Riders Alliance, a transit group, who has worked both with and against Mr. Whelan.

In late June, days before Mr. Whelan officially started as president of REBNY, he helped organize a demonstration in Lower Manhattan to protest a proposed cap on fees for rental agents. On a sweltering afternoon, hundreds of agents descended on City Hall carrying signs opposing the bills, with 40 signing up to testify inside.

It was a shift in tactics for an organization that has relied on money and relationships to influence officials — so unfamiliar that the board held conference calls to advise members on how to dress and what to expect.

“This was like civic engagement 101,” said Reggie Thomas, the board's head of government affairs. “It had never happened before.”

Kenneth K. Fisher, a lawyer and lobbyist for the industry, said the new tactics were necessary in the current political climate.

“When I was a young lawyer, you could fit all of the decision makers in the city, from the local political boss to the union leader to the president of Chase Manhattan Bank, in the ballroom of the New York Hilton,” he said. “And today you couldn't fit them all in the Javits Center. Power has become decentralized, just as communications have become decentralized. And it takes a different way of presenting public policies in order to convince more people that you've got the right answer.”

That was how the activists outmaneuvered the industry on the rent laws, he suggested, despite all the industry's money. “They had a very carefully mapped-out campaign of identifying landlords that they thought they could scapegoat,” Mr. Fisher said, “and they would make some announcement, follow up with rallies and protests, so that there was a new story every few weeks to build momentum for what they were going to be advancing up in Albany. I could see it.

“It took the industry by surprise. It created a political environment where so many moderate Democrats were unwilling to stand up.”

At a recent interview in REBNY's office, Mr. Whelan dismissed the idea that New York had turned against big real estate. "I think it's a popular sentiment among some voters in some segments of the city," he said.

He pointed to several polls in particular that showed that New Yorkers favored Amazon's move to Queens, even with big taxpayer subsidies.

But the industry had not done enough to show the economic impact of the new regulations, Mr. Whelan said — that they would hit not just the billionaires of big real estate, but also the smaller property owners who run older buildings on slim margins. He predicted doom within five years. "Nearly a quarter of a million units," he said, "are going to be in financial distress."

One of his first moves was to announce a partnership with the powerful Building and Construction Trades Council of Greater New York, a coalition of unions that often sides with the industry. The agreement puts a blue-collar face on development and simultaneously tries to paint progressive lawmakers and tenants groups as opponents of organized labor.

"I understand advocating on the part of tenants," said Gary LaBarbera, president of the labor council. "Many of our members are tenants. But at the same time part of that advocating should be about building more affordable housing for New York City. And if the development community is not building, then our members are not working."

At a recent [gathering of lawmakers and lobbyists in Puerto Rico](#), Mr. Whelan worked the room wearing a T-shirt — not as a high roller in a suit, but a guy from Queens who calls people "chief" and calls himself a "son of immigrants."

Mr. Gianaris, who was also at the gathering, said that he noticed the real estate lobbyists, but that they did not reach out to him.

"I'm last on their list," he said.

"I think they're trying to find their way in a new environment where grass-roots advocacy is more powerful and important than it's ever been. The old way of doing business for them is no longer applicable in the new Senate."

While the industry was shoring up its public image, it also took to the courts. In July, the Rent Stabilization Association, Community Housing Improvement Program and seven building owners sued the city's Rent Guidelines Board to block the new rent regulations as

unconstitutional. The RSA hired a data research firm to make its case that the regulations have slowed construction, reducing tax revenues and jobs.

REBNY is hiring an organizer and has crunched data to warn that tax revenues from real estate sales are down. The Community Housing Improvement Program changed lobbyists and tactics.

“The lobbying strategy is different,” said Mr. Martin of CHIP. “It has to be different. This presumption that you just call up, you sit down with an elected official, you say, ‘This is what I need,’ and that’s it — that doesn’t work anymore. Everything needs a campaign behind it, it needs different voices, it needs tenants, it needs contractors who have been laid off.”

Mr. Strasburg of the Rent Stabilization Association said that Democratic lawmakers who used to work with him were now afraid to stand up against their ascendant progressive wing. “There are those that said to me, ‘I can’t take your money now, but after January 15 I can take your money.’ Why after January 15? Because it’s too late for anyone to make it an issue” in the 2020 elections, he said.

Mr. Strasburg said he refused to support lawmakers who did not stand up for the industry, even if they had in the past. One state senator who voted for the rent regulations asked for support against a primary challenge from the left, and Mr. Strasburg was flummoxed. “I said, ‘Why would we help you?’ He said, ‘Because they’re worse than I am.’ I said, ‘But at the end of the day you voted the way that they would vote. So what separates you from them in terms of bad?’”

REBNY has tried to cultivate more centrist Democrats — or at least those that haven’t sworn off real estate money — giving \$84,500 to 14 Democratic state senators since the start of the year, compared to just \$2,000 to Republican senators.

But some negotiations seem to be taking place, albeit on new terrain. Brian Kavanagh, a progressive Democrat who chairs the Senate Committee on Housing, Construction and Community Development, said that in recent months some developers have started meeting with tenant advocates “to see if there’s common ground.” But some others, he said, “are so aggrieved that they’re pointedly refusing to talk with legislators like me.”

Some in the industry are focusing on 2021, when Mayor Bill de Blasio and most City Council members will be leaving office.

Kathryn Wylde, executive director of the Partnership for New York City, a business group, who considers the new laws “very damaging” for the city, said many developers and their advocates seemed to be still “licking their wounds.”

“The officials I’ve talked to say they’re getting an agenda from the pro-tenant side and are waiting to get one from the other side, but haven’t gotten anything substantive yet.”

In the meantime, progressives are looking to expand the new order. In October tenant advocacy groups posted a two-minute video targeting six Democratic state Senators from Long Island who receive hefty donations from real estate. All voted against the rent regulations in June, except for Todd Kaminsky, who voted for the bill but opposed other renter protections.

Andrea Stewart-Cousins, the State Senate majority leader, and Corey Johnson, the City Council speaker, are scheduled to headline a fund-raiser for the renters’ group Tenants PAC in December. The event is a regular stop for progressive lawmakers, but this comes in a year that Mr. Johnson, Mayor de Blasio and Governor Cuomo all skipped REBNY’s annual gala — a very rare occurrence.

Mr. Johnson joined Democrats who have refused to take money from real estate interests, even though he took them in the past. He has drawn criticism from tenants’ groups, which consider him too close to real estate, noting that he once worked for a developer. But if he runs for mayor and wins without financial or tacit support from developers, he will be the first New York mayor in memory to do so.

The next showdown may be over the empty storefronts that are proliferating in many neighborhoods. City Council members have proposed two bills to protect businesses from sudden rent hikes. The industry opposes both bills as interfering with owners’ rights to control their own property.

It’s an argument that lobbyists have been making — with great success — for 30 years, since the first such bill was proposed by Ruth Messinger, who was then a City Council member and later Manhattan Borough President.

But now momentum may be against them. “It’s about fairness and rights” for small business owners, many of them immigrants, said Ydanis Rodriguez, a sponsor of one of the bills. “Why now?” he asked. “The reason is that we’re already late moving this bill.”

So far, however, neither has come to a vote.

In the meantime, development pushes on, in nearly every corner of the city — despite a softening market, a glut of high-end properties and a pullout of Chinese investors, who had contributed to the high end boom. In Midtown Manhattan alone, 11 buildings that will reach

[1,000 feet](#) are either proposed or under construction. Construction spending in the city hit a [record high](#) last year.

As for the state senators who refused real estate money, they, too, are doing O.K. The Democratic Senate Campaign Committee has raised \$1.7 million so far this year, compared with about \$1 million in the same period in 2017, the last post-election year.

But power is fickle, and the source of the current unrest — the lack of affordable housing — remains the central story of New York right now. Developers need to build it, lawmakers need to subsidize it, community groups need to accept it.

The progressives won the battle of 2019, but there are many more battles to come. And maybe, at some point, some cooperation.

[Lame Duck Speaker Issues Interim Charges; Takes Final Swipe At Taxpayer-Funded Lobbying](#)

There is roughly one year and one month left before the 87th Texas Legislature gathers for its 2021 session.

Between sessions, the biennial legislature's committees are still at work, guided by their respective chairman and a list of interim charges produced by the heads of each chamber. Much of the items are given lip service only, but some of it is mission-critical, such as hearings over the [upcoming Redistricting process](#) that are currently touring the Lone Star State.

Lt. Gov. Dan Patrick released his interim charges recently ([see our analysis here](#)) and outgoing Texas House Speaker Dennis Bonnen released his on Monday. [You can read all of the House charges here \(.PDF file\)](#).

From the hip: Bonnen, [after quite a summer](#), announced he would not be seeking re-election. It won't be the first time a so-called "lame duck" is in charge of the interim process in the House, but what makes this one different is the specter of a shift in the chamber's leadership that may render any portion of these charges obsolete once a new Speaker-apparent is agreed upon. But fortunately, most of the charges seem fairly standard for an interim period — following up on previously passed laws, seeking the State Auditor's feedback on upcoming budgetary matters, addressing perennial concerns such as water rights and border security, etc. Some of the charges are, frankly, designed to satisfy persistent industry lobbyists.

A trained eye can sort through these charges and divine what issues may gather steam in an upcoming legislative session, but with an upcoming vacancy in the Speaker's role that picture is not as clear.

Of particular interest is Bonnen's charge to the State Affairs committee to take a closer look at [taxpayer-funded lobbying](#): "Study how governmental entities use public funds for political lobbying purposes. Examine what types of governmental entities use public funds for lobbying purposes. Make recommendations to protect taxpayers from paying for lobbyists who may not represent the taxpayers' interests."

Speaker Bonnen was [a fierce proponent of the bill last session](#) to end the practice of lobbying by local government entities, but learned he did not have the votes. It has been speculated that many of the members of the House he did not want to protect (as obtained by a [secretly recorded conversation](#) by Michael Quinn Sullivan in June) had one thing in common: that they opposed the taxpayer-funded lobbying bill.

Of further interest: Bonnen placed an emphasis on following up on [electric grid protection initiatives](#), which emerged as one of the surprise priorities last session. He also addresses a recent [shake-up at the Texas Workforce Commission](#) regarding how independent "gig economy" contractors are regulated and classified under newly adopted labor rules.

With Bonnen unable to enforce a lack of action on any of these items, we can look to the Senate's interim charges as the more reliable road map to the next Legislature.

[**Democrats take in lobbying industry cash despite pledges**](#)

The lobbying industry has donated \$545,173 to 2020 presidential campaigns with nearly 80 percent going to Democratic candidates, even as many of those hopefuls vow not to take donations from lobbyists.

Over \$114,498 of that has gone to President Donald Trump's re-election while the rest, \$430,675, has been given to Democrats, including those who have dropped out of the race, according to data from the Center for Responsive Politics.

The total is based on the Federal Election Commission data released on Oct. 16., through third-quarter 2019 fundraising.

The numbers paint a complicated picture. Democratic candidates and their progressive allies in the current cycle have put new scrutiny on lobbyists as well as on taking money from other

special interest or corporate groups. But that hasn't completely stopped the flow of money to candidates and campaigns.

K Street's top ranks are filled with former Democrats, many with ties to the candidates. And watchdog groups say that while the focus is on federally registered lobbyists, donations from others tied to the industry, such as state- and local-level lobbyists, often trickle through.

“The states are an area that are ripe with influence. In part because it takes lower dollar amounts to influence and people are usually making contributions at a lower level,” Lisa Gilbert, vice president of legislative affairs at Public Citizen, a watchdog group The Hill.

The Center for Responsive Politics number includes state and local lobbyists, lobbying firm’s political action committees (PACs) as well as people who work at lobbying firms who are not registered – including support staff and lawyers. Lobbyists who are in-house at a corporation are not included in the count.

If a contribution from a federally registered lobbyist was returned by the campaign, it would be subtracted from the calculation, according to the group.

The over \$500,000 figure includes both donations to campaigns and money directed to outside groups, like candidates’ political action committees.

According to the center's data, former Vice President Joe Biden has received over \$90,000 from the lobbying industry, Sen. Kamala Harris (D-Calif.) has received over \$75,000, South Bend, Ind., Mayor Pete Buttigieg has received over \$30,000, and Sen. Cory Booker (D-N.J.) has received over \$30,000.

"Vice President Biden does not accept contributions from federal lobbyists and has been a leader throughout his career in working to eliminate the influence of big money in politics," campaign spokesman Michael Gwin told The Hill.

Also, Sen. Amy Klobuchar (D-Minn.) has received over \$20,000, Sen. Elizabeth Warren (D-Mass.) has received over \$16,000 and former Housing Secretary Julian Castro, Sen. Michael Bennet (D-Colo.) and Rep. John Delaney (D-Md.) have all received over \$10,000.

Just over \$2,000 has gone to Sen. Bernie Sanders (I-Vt.) and just under \$600 to Rep. Tulsi Gabbard (D-Hawaii), while businessman Andrew Yang, and Marianne Williamson have all accepted over \$250.

The Gabbard campaign told The Hill they will return the contributions.

“Thank you for bringing this to our attention. We're planning to return the \$594 in lobbyist contributions and going forward our policy will be to return any lobbyist contributions over \$50. We will rely on the reporting by Open Secrets to help us track this information,” a spokesman told The Hill.

The Buttigieg campaign said it was committed to ensuring campaign finance reforms to crack down on special interest money.

“As President, Pete will enact critical campaign finance reforms to restore faith in our Democracy, including strengthening the FEC and pushing to overturn Citizens United and Buckley v Valeo,” a spokesman told The Hill.

In response, Warren’s campaign cited their plan, introduced in September, that would ban lobbyists from making political contributions, bundling donations or hosting fundraisers for candidates. Currently, her campaign refuses donations from lobbyists to the federal government and also from foreign agents.

Sanders’ campaign noted that they don't accept donations from corporate lobbyists. The senator introduced a plan in October to would ban donations from federal lobbyists and corporations.

And, Williamson’s campaign said they evaluate contributions on a case by case basis.

Other campaigns declined to comment for the story or did not respond to The Hill’s request for comment.

Unlike most Democrats, Trump, has not shied away from corporate money. Former Massachusetts Gov. Bill Weld, the only other Republican presidential contender other than Trump counted in the tally, has accepted over \$200.

Still, the donations from those connected to the lobbying industry as a whole pale in comparison to political contributions from other controversial industries.

The oil and gas industry has donated over \$4.5 million on the 2020 election, over \$4 million of that going to Trump alone and the pharmaceuticals and health products industry has donated \$1.7 million with over \$450,000 going to Trump, according to the Center for Responsive Politics.

Democrats who have pledged not to take money from lobbyists in Washington have returned checks in many cases, but that doesn't often extend to donations from state and local lobbyists or from people who work at lobbying firms.

State and local lobbyists are seen as different because they do not directly lobby the president or Congress. But critics say that state and local lobbyists are still prominent in the advocacy space.

"Certainly as we think about decisions that campaigns are making or campaign finance rules that we want, we are paying equal attention to money spend in the federal and state level," said Gilbert from Public Citizen.

Gilbert said that as Democratic candidates crack down on special interest money the field of acceptable donors will also narrow.

"Just as we first saw no pharma money or no oil money, and then it became no corporate money. Its logical that the next step might be no state lobbyists," Gilbert said.

Others noted that optics of accepting campaign contributions from state and local lobbyists are less controversial.

"Candidates understand that contributions from lobbyists are a valid and regulated method of political engagement. This is why we see them taking funds from those at the state and local level, which is sometimes less scrutinized than federal-level campaign contributions," said Kelly Memphis, manager of government relations and stakeholder engagement for the Public Affairs Council, an association for public affairs professionals.

Memphis also questioned the criticism over accepting lobbying money.

"Candidates often refuse dollars from federal lobbyists and national corporate PACs to keep up appearances in line with the overblown national narrative that these types of contributions are part of a broken system," Memphis said.

But those views have taken hold in the Democratic field, with many candidates proposing tough reforms to cut off lobbyist donations.

Even new entrants are vowing not to take donations from Washington lobbyists.

Former New York City Mayor Mike Bloomberg's campaign will not be taking contributions from lobbyists, according to the campaign, and Bloomberg, a billionaire, is self-funding entirely.

Fellow billionaire Tom Steyer is also against taking lobbyist money.

"Tom doesn't take money from lobbyists because he's proposing real structural reforms to break the corporate stranglehold in Washington, like term limits for Members of Congress and national referendums," spokesman Benjamin Gerdes told The Hill.

The campaign for Gov. Deval Patrick's (D-Mass.), other new candidate, did not respond to a request for comment.

Financial disclosure a target of lawmakers' ethics quest

A bribery charge against a state legislator and federal investigations into lobbying have Illinois lawmakers promising to tighten the rules of soliciting and exercising influence in the Statehouse, with a renewed focus on the ridiculed process of financial disclosure.

The General Assembly wrapped up its fall session this month by adopting legislation to streamline information about lobbying, government contracts and campaign contributions, but delayed examining fiscal reporting required of legislators and other state policymakers.

More than 26,000 state employees must annually file a statement of economic interest comprising eight questions designed to identify financial involvement that could intersect with state business.

Often mocked as "None Sheets" for the answers they habitually produce, critics say the process falls short. For example, it requires disclosing monetary gains without identifying the transactions that yielded them. It compels identifying lobbyists with whom the filer has a "close economic relationship," but provides no definition.

"The narrowly-tailored questions seem to provide plenty of opportunity to shield relationships, say by routing funds through an intermediary," said Jay Young, executive director of Common Cause Illinois.

The statement re-emerged as an issue with the federal bribery charge against former Chicago Democratic Rep. Luis Arroyo, who allegedly tried to buy a senator's support for legislation on an issue about which he was simultaneously lobbying Chicago city officials. Other federal inquiries

have spotlighted lobbyists, such as in subpoenas for information from Exelon, parent company of power giant ComEd.

House Majority Leader Greg Harris' measure was accompanied by a resolution creating a commission to examine ethics challenges facing the ethics-challenged politics of Illinois, including an improved disclosure statement, and recommend changes by next spring.

Disclosure centers on ownership or investments valued at more than \$5,000 or which yielded more than \$1,200 in the preceding year, whether it be owning a company doing business with the state, a filer's profession outside of the job for which disclosure is required, any organization which pays the filer as an officer or partner, and investments or real estate yielding capital gains. There is the question about relationships to lobbyists and one about gifts totaling more than \$500.

Harris' legislation included a revamped statement, but House members of both parties objected to adopting a replacement without more discussion. It attempted to garner better detail by requiring reporting of any asset worth more than \$5,000 which the filer held at the end of the previous filing period.

Cathie Jackson, director of legal services for McLean, Virginia-based Financial Disclosure Resources, which specializes in assisting federal judges in their financial reporting, noted that, like in the current form, the question recognizes assets from a snapshot in time, but doesn't reveal the source of those assets or resulting dividends.

"If someone makes a purchase at a favored rate, that could be invisible to the public because neither purchase values nor the subsequent values of individual holdings would be reportable," Jackson said. "And while a favored rate might ultimately be defined as a reportable gift, that language is not included in the current iteration."

And while the proposed changes also would require reporting assets held jointly with a spouse or with minor children, Jackson pointed out that it's not unusual for assets to be put solely in a child's name. The change also would simplify the lobbyist question to requiring identifying any "economic relationship" along with family members who lobby.

By the same token, Rep. Keith Wheeler stressed the questions and their answers should be understandable and provide information pertinent to the job. The Oswego Republican said GOP members balked at adopting a new form this month because of concerns about interpreting some questions and to ensure protection of clients' names and other matters of professional confidentiality.

For some critics, the missing key to ensuring ethics among decision-making is not related to the disclosure process. It's an absent conflict-of-interest law. Illinois' Governmental Ethics Act provides "principles" for legislators, but they're guidelines as opposed to rules enforced by discipline, said Alisa Kaplan, policy director for Reform for Illinois. It's routine for a lawmaker to announce before a floor vote that while she or he has a conflict of interest on the issue, "I will be voting my conscience."

California's disclosure form, while resembling an income tax return, tracks closely to the Illinois edition, said Gary Schons, a lawyer with Best Best & Krieger in San Diego who assists public officials filing disclosures. But any form "is only as good as the person filling it out," Schons said, and requiring recusal from votes on potential conflicts is another check on public officials.

"It (disclosure) is a hand-in-glove thing with our conflict law," Schons said. "Part of the reason it exists is to remind the filer, when he's confronted with a governmental decision, oh, I own this stock, or I have a rental house."

The other part, of course, Schons said, is to allow taxpayers to see a public official's financial standing "and also to contrast that with information they get that he didn't report."

State panelists advise rise for 2020 donations

For next year's elections, the amount that an individual can donate to a campaign would increase from \$2,700 to \$2,800 per election under an amendment to rules approved recently by the Arkansas Ethics Commission.

"The purpose of this rule is to establish a campaign contribution limit and give the public clear guidance on that limit," the commission said in a summary of the rule change. "The presumed intent of the mandated adjustment is to keep the contribution limit in line with the rising cost of running a campaign."

The Ethics Commission made this change, along with others, to its rules to conform with state laws. Lawmakers are to review the amendments in January.

The contribution change was made in accordance with Act 1280 of 2015, which requires that the limits for contributions by individuals be adjusted at the beginning of each odd-numbered year in an amount equal to the percentage certified to the Federal Election Commission by the Bureau of Labor Statistics of the U.S. Department of Labor under federal law as existing on Jan. 1, 2015.

If the amount after the adjustment is not a multiple of \$100, the Arkansas Ethics Commission is required to round the amount to the nearest multiple of \$100 under Act 1280.

On Feb. 7 of this year, the Federal Election Commission announced updated contribution limits that have been indexed for inflation and are effective for the 2019-20 federal elections, according to the Arkansas Ethics Commission.

During the current two-year election cycle, the limit for contributions by individuals to candidates for president, the U.S. Senate and the U.S. House of Representatives increased from \$2,700 to \$2,800 per election, the Federal Election Commission said.

Act 1280 was sponsored by then-state Sen. Jon Woods, R-Springdale, to help implement Amendment 94 to the Arkansas Constitution, which voters approved in November 2014. Amendment 94 increased the amount of time that state lawmakers can serve; barred direct corporate and union contributions to candidates; created a state commission to determine the salary levels of the state's elected officials; and prohibited lobbyists from providing certain gifts to lawmakers.

Ethics Commission Director Graham Sloan said the recent increase in the individual contribution limit for 2020 "relates back to the first date candidates could have started accepting contributions for the 2020 primary." The primary is March 3.

The Legislative Council's Rules and Regulations Subcommittee will consider the Ethics Commission's rule changes during its meeting in January, Sloan said.

"Once the revised rules have received subcommittee approval, final copies will have to be filed with the Arkansas Register and they become effective 10 days later," he said.

State law bars candidates from accepting contributions until two years before their primary election.

In June, U.S. District Judge James Moody Jr. granted a preliminary injunction to prevent that law's implementation until its constitutionality is decided. However, Moody stayed the order two days later at the state's request, allowing the blackout period that has been in effect since 1996 to continue being enforced while the 8th U.S. Circuit Court of Appeals in St. Louis considers the appeal by the attorney general's office.

Sloan said that the last increase in the individual contribution limit in Arkansas was from \$2,000 to \$2,700 per candidate per election under Act 1280 of 2015.

When state legislators and party officials said they first learned about the latest increase varies widely.

Sen. Trent Garner, R-El Dorado, said he became aware “about September, if I remember correctly.

“My first donations I told everyone it was the old limit, but had a lobbyist tell me about the change around that time frame,” he said.

Senate Republican leader Bart Hester of Cave Springs said he was called a few months ago by a member who told Hester that state law “has us following federal guidelines now.”

Senate Democratic leader Keith Ingram of West Memphis said he was “unaware until I noticed \$2,800 on campaign-finance reports and asked [about it in October].”

State Democratic Party spokesman Jacob Kauffman said, “To be honest. I don’t know when we learned of it. I feel like it occurred sometime during the last legislative session ... but we’ve been operating under \$2,800 since campaigns have started up.”

State Republican Party Chairman Doyle Webb said he learned about the increase “when attending a judicial candidates’ seminar earlier this year.”

Webb’s wife, Barbara Webb, is running for the state Supreme Court against Pulaski County Circuit Judge Morgan “Chip’ Welch. Barbara Webb is the chief law judge on the Arkansas Workers’ Compensation Commission and also is a former circuit judge in Saline County. Judicial races are nonpartisan.

The Ethics Commission’s rules changes also include amendments to conform to new laws:

Act 341 of 2019, which increased the commission’s maximum fines from \$2,000 per violation to \$3,500.

Act 879 of 2019, which made knowingly taking campaign funds as personal income a felony if the value exceeds \$2,500.

Act 342, which bars a state elected official from registering as a lobbyist in any other jurisdiction.

