

# MULTISTATE

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## Weekly Lobbying Articles

November 9, 2017

Charleston Gazette-Mail

November 4, 2017

### Pharma industry fueling Morrisey's US Senate campaign

[https://www.wvgazette.com/news/politics/pharma-industry-fueling-morrisey-s-us-senate-campaign/article\\_fdb411b9-2a2f-5936-8f95-6ae1d2b6d4cd.html](https://www.wvgazette.com/news/politics/pharma-industry-fueling-morrisey-s-us-senate-campaign/article_fdb411b9-2a2f-5936-8f95-6ae1d2b6d4cd.html)

Floods of money from lawyers and lobbyists tied to the pharmaceutical industry are fueling Patrick Morrisey's campaign for the U.S. Senate.

A close analysis of Morrisey's financial disclosure to the Federal Election Commission shows registered lobbyists at the state and federal levels, as well as consultants, association representatives, attorneys and political action committees representing the pharmaceutical industry, contributed at least a combined \$87,950 to the campaign in its first three months of existence.

As a lobbyist, Morrisey represented clients such as Sunovion Pharmaceuticals, Bayer Healthcare, Celgene Corporation and other major pharmaceutical accounts. A number of those companies have since retained new lobbyists who are now donating to Morrisey's campaign.

Employees of two lobbying firms Morrisey used to work for have given thousands, as well. Before he was elected attorney general of West Virginia, Morrisey worked as a lobbyist for two white-shoe law and advocacy firms: King and Spalding, and Sidley Austin. In his current campaign, lawyers, partners and lobbyists who worked for those two firms donated a combined \$11,050 and \$19,300, respectively.

Additionally, Denise Henry Morrisey — the attorney general's wife — currently lobbies for Capitol Counsel, a Washington, D.C., lobbying firm that represents the pharmaceutical industry. Lobbyists and attorneys with Capitol Counsel donated a combined \$16,500 to Morrisey's campaign through individual contributions.

Rep. Evan Jenkins, R-W.Va., who will face Morrisey in the May primary, called attention to Morrisey's industry ties in a news conference Monday.

There, Jenkins pledged to return all campaign contributions from the pharmaceutical industry he has received since announcing his campaign and to no longer accept any such donations going forward. He also called on incumbent Sen. Joe Manchin, D-W.Va., and Morrisey to do the same.

Jenkins' pledge came on the heels of two comparably slow fundraising quarters when measured against his likely opponents.

At an unrelated news conference Tuesday, Morrissey declined to answer when asked if he would take Jenkins' pledge.

A spokeswoman for his campaign did not respond to a series of questions regarding whether Morrissey will take Jenkins' pledge or the implication of the pharmaceutical industry's contributions to his campaign.

Not the only one

While Morrissey's count is more drastic, Jenkins received a few modest campaign contributions of his own from the industry.

In a survey of Jenkins' campaign contributions from 2017, individuals who have represented the pharmaceutical industry have donated at least \$2,750.

When asked how Jenkins would return the contributions he received from people who represent the pharmaceutical industry, his spokesman, Andy Sere, said he was not aware of any.

When sent an itemized list, Sere said Jenkins would only return donations received after he announced his campaign, and those that came from lobbyists from outside the state of West Virginia.

In May, one lobbyist who represents pharmaceutical clients at the state Capitol gave \$250. In September, another gave \$500. In June, Kent Hance, a pharmaceutical trade association lobbyist at the federal level, gave \$250.

"Evan is honoring his pledge to put people over pills by returning Mr. Hance's donation," Sere said in an email.

In previous campaigns, as well as financial fundraising quarters from this election cycle while Jenkins was still fundraising for re-election to the House of Representatives, he accepted contributions from the pharmaceutical industry.

Sere said Jenkins will not return contributions that came in before he announced his Senate campaign in May. Those include a \$5,000 contribution, received March 31, from Novartis Corporation PAC, or another on that same day for \$1,000 from Express Scripts PAC, among others.

Nachama Soloveichik, a spokeswoman for Morrissey's campaign, accused Jenkins of hypocrisy for not returning those donations.

"Evan Jenkins explicitly promised to return all donations associated with pharmaceutical companies in a video he posted on his own Facebook page, and now, he's moving the goal posts because he realized he'd have to return tens of thousands of dollars," she said. "A pledge that magically changes overnight isn't worth more than a good chuckle."

On the other side of the primary, Manchin's campaign drew a comparatively light sum from representatives of the pharmaceutical industry in the third quarter when measured against his last Senate campaign.

According to an analysis of his campaign's financial disclosure, registered, federal pharmaceutical company lobbyists gave Manchin \$7,250 for the quarter. A PAC from AmerisourceBergen, a major drug wholesaler, also gave Manchin \$2,500 for his campaign.

Additional data curated by the Center for Responsive Politics shows he has received \$29,800 from the pharmaceuticals and health products industry in this election cycle. In the 2012 election, the pharmaceutical and health products industry contributed \$272,900 to his campaign by way of individual contributions and PAC donations.

Manchin has other ties to the industry. His daughter, Heather Bresch, is the CEO of Mylan. His campaign and longtime adviser, Larry Puccio, is registered with the state to lobby for Mylan.

Grant Herring, a spokesman for Manchin's campaign, accused Jenkins of using the opioid epidemic to grandstand for his own political gain.

"While Evan Jenkins wants to use the drug epidemic to grandstand for political gain, Sen. Joe Manchin continues to work with both sides of the aisle to fight the opioid epidemic," he said.

He said Manchin is remaining focused on combating the epidemic through his work in the Senate.

### Geography

Along with industry ties, FEC disclosures show out-of-state individuals comprise the majority of each of the three Senate campaigns.

Of Manchin's roughly \$2.9 million in receipts this year, just 3 percent of it came from West Virginians.

Of Morrissey's \$673,562 in receipts this year, roughly 22 percent of them came from West Virginians.

Of Jenkins \$902,137 in receipts this year, roughly 40 percent of them came from West Virginians.

**Boston Herald  
November 4, 2017**

### **Lobbyists eye tax bill**

[http://www.bostonherald.com/business/business\\_markets/2017/11/lobbyists\\_eye\\_tax\\_bill](http://www.bostonherald.com/business/business_markets/2017/11/lobbyists_eye_tax_bill)

The tax plan released by House Republicans this week is expected to trigger an all-out lobbying blitz from industry and special interest groups looking to add provisions such as the repeal of a tax credit for drugs targeting rare diseases and a new tax on investments by large universities.

"Because of the way tax bills are framed, there's always someone who may not sit well with all the features of the bill," said Bob Stevenson, a political strategist in Washington, D.C., who was a congressional aide in 1986 when Congress passed the last major overhaul of the tax code.

"Every one of these provisions has a constituency," he said, "and they will certainly be making the case to their members of Congress."

The more than 400-page tax overhaul proposal released Thursday includes the addition or repeal of hundreds of tax credits and deductions. Those include a repeal of the electric vehicle tax credit, a credit for businesses that improve accessibility to people with disabilities, and the student loan interest deduction.

Since its release, The Home Builders Association, the Biotechnology Innovation Organization, the National Federation of Independent Businesses and the American Council on Education have all come out against different provisions in the bill.

Still, some of those groups praised the spirit of the bill, and said they want to work with legislators.

Congressional Republicans set out to achieve certain tax goals, including lowering the corporate income tax and repealing the estate tax, said Molly Reynolds, a fellow at the Brookings Institution. Many provisions in the bill, she said, are included simply to help pay for the cuts.

"Each of those levers has people who care about it a lot," Reynolds said. "Some of these really small things, if you could really mobilize a group around them, it'll be interesting to see if they can get that changed. This is why making large-scale changes to the tax code is so difficult."

The tax plan has also come under fire from state and local officials, who take issue primarily with the proposed repeal of the state and local taxes deduction.

"It is abundantly clear that this tax bill will not work, and will make our cities and towns weaker," said Geoff Beckwith of the Massachusetts Municipal Association. "This bill would increase the average tax burden on families in Massachusetts, and make it harder to fund public safety and education."

## **The Almanac November 6, 2017**

### **Menlo Park: Public outcry over city's plans to hire lobbying firm**

<https://www.almanacnews.com/news/2017/11/03/menlo-park-public-outcry-over-citys-plans-to-hire-lobbying-firm>

The Menlo Park City Council is facing lots of objections to a proposal by city staff to hire a Washington, D.C.-based firm, Mercury Public Affairs, to lobby on behalf of the city in Washington, and maybe in Sacramento, too.

A leader of the Mercury LLC team that would work with the city, according to the firm's proposal, is former GOP congressman Vin Weber, who is under scrutiny in a federal investigation of ties between President Trump's campaign and Russia, according to the Associated Press.

Another leader of the team, Bryan Lanza, was communications director of the Trump transition and of Citizens United, a conservative nonprofit, before being hired by Mercury LLC in February of this year.

In a staff report released Nov. 2 in advance of the City Council's Nov. 7 meeting, city staff recommended that the council hire Mercury LLC at a rate of \$8,000 a month (\$96,000 a year) to lobby on behalf of the city.

The Associated Press reported on Nov. 2 that Mr. Weber, a former Republican congressman from Minnesota, is being investigated by Special Counsel Robert Mueller, who is looking into ties between the Russian government and President Trump's campaign.

The AP reports that Mr. Weber and Tony Podesta, a "longtime Democratic operative," were "hired as part of a multimillion-dollar lobbying effort directed by (Paul) Manafort and longtime associate Rick Gates." Mr. Manafort and Mr. Gates were indicted Oct. 30.

Mercury LLC allegedly received a subpoena from Mr. Mueller's investigation in August, according to the Washington Post.

The Post reports that the firm was asked to "answer questions and provide records regarding their interactions with the consulting firms led by Michael Flynn, a former national security adviser to President Trump, and Paul Manafort, former chairman of the Trump presidential campaign."

## Reactions

When asked about Mr. Weber being named in the investigation, Menlo Park city staffer and analyst Peter Ibrahim responded, "We are aware of that," and noted that staff planned to meet to talk about the news.

"(Mr. Weber) would not be our direct contact at Mercury," he added. The man who would be Menlo Park's direct contact is Mr. Lanza.

The City Council has received many emails from the public opposing this recommendation. (As of 9 a.m., Nov. 6, there have been about 60 emails opposed and two in favor.)

Betsy Nash, a member of the city's Complete Streets Commission, wrote to the council: "As a resident and taxpayer I am stunned that our city would even consider hiring Mercury Public Affairs and Bryan Lanza. Please do not execute this contract for government relations and legislative advocacy with this firm."

Katie Behroozi, also a Complete Streets commissioner, wrote: "I understand that we are looking for public funding for our much-needed infrastructure projects, and that DC, a potential source of funding, might currently be dominated by the Trump wing of the Republican Party. So hiring a firm that can work across the aisle makes sense. But – Bryan Lanza, communications director of one of the ugliest campaigns in history? If you think he's put that campaign behind him, do check out his current Twitter feed, in which he enthusiastically retweets his former boss's inanity and distortions while calling our junior senator a liar."

Mr. Ibrahim, the city staffer, said that the decision to recommend Mercury LLC came after the city received 13 proposals and interviewed four firms: Carpi & Clay, Federal Advocates, Townsend Public Affairs and Mercury Public Affairs.

The interviews were conducted by a panel of three city staffers: Mr. Ibrahim, Assistant Public Works Director Nikki Nagaya and Housing and Economic Development Manager Jim Cogan. Mercury was the costliest of the finalists, at \$8,000 per month.

Mr. Ibrahim said a big consideration was on what might work best to secure funding for the city's big-ticket projects -- adding that the specifics of what the city would seek funding for haven't been ironed out yet.

The City Council is interested in hiring a lobbyist to drum up federal and state funding for major projects the city can't finance alone, such as infrastructure along and near the Dumbarton Transportation Corridor.

"I don't see this as a red or blue issue," he said. "I think the focus is on funding, especially federal funding – how to position the city to receive that sort of funding that is out of the scope of the general fund."

Another priority, Mr. Ibrahim said, was to find a firm that offered both federal and state advocacy. "Bryan (Lanza) brings several years of experience in the California state government," he said. "That was a bonus in and of itself."

He said it is not yet known if Mr. Lanza would represent the city just in Washington or in Sacramento, too.

Jim Cogan, Menlo Park's housing and economic development manager, told the Almanac, "We were simply given the task of finding people who could help us get federal money from the administration. Our recommendation was based on who we thought would be the most effective at lobbying this administration."

He cited the old political adage, "There's no such thing as a Democratic or Republican pothole." "As staff, our recommendations are supposed to be apolitical."

The Menlo Park City Council is scheduled to meet Tuesday, Nov. 7, beginning at 7 p.m. in the City Council chambers at 701 Laurel St.

**Idaho Statesman  
November 1, 2017**

**In other states, this endorsement would have broken the law. In Idaho, it's legal.**

<http://www.idahostatesman.com/news/politics-government/election/article182168266.html>

In August, one of the most influential lobbyists in Idaho and the mayor's pick for Boise City Council walked into the Salmon River Room for an airport commission meeting at the Boise Airport. At the meeting, they discussed Frank Walker's run for City Council.

They did not break the law, and they did not violate any election rules. That is primarily because of geography. If either Russell Westerberg, the current airport commission chairman, or City Council candidate Walker, who is also a Boise airport commission member, had worked 55 miles west in Oregon, they would have violated state election rules. If they worked for the federal government, they would have broken the Hatch Act. However, they work for the city of Boise, and the city and the state of Idaho have few regulations on what is acceptable electioneering.

The official minutes from the meeting read like this: "Mr. Walker announce(d) he would be running for City Council. Mr. Westerberg backed Mr. Walker for council."

In an October email to Idaho Reports, Walker said he didn't ask for the endorsement. "I did state that I was a candidate for office at the meeting. It was informational, and I was not seeking anything more," he said.

The Oregon law instructs public employees to "not engage in political advocacy themselves while on the job or acting in their official capacity." Similarly, the federal Hatch Act states "an employee may not engage in political activity—while the employee is on duty; in any room or building occupied in the discharge of official duties by an individual employed or holding office in the Government of the United States or any agency or instrumentality thereof."

Neither Idaho nor Boise city code address the issue.

The event didn't end with Walker's proclamation. Commissioner Westerberg announced his support for Walker and then handed him a campaign check in the public meeting. "I had no idea that Russ Westerberg was going to announce his support, give me a check or ask others to do the same," Walker said. "It took me by surprise and I was not comfortable with the matter."

Westerberg saw it differently, telling Idaho Reports there was “nothing untoward whatsoever.”

“Walker announced he was running for City Council, which was totally appropriate,” Westerberg said. “I used the occasion to take a check out of my pocket that I’d already prepared. ... I wanted to be the first to support Frank.”

Under Idaho law, Westerberg is correct. The closest I could find to a prohibition on actions like this appears to be the Idaho BRIBERY AND CORRUPTION code:

“No public servant shall:

(a) Without the specific authorization of the governmental entity for which he serves, use public funds or property to obtain a pecuniary benefit for himself.

(b) Solicit, accept or receive a pecuniary benefit as payment for services, advice, assistance or conduct customarily exercised in the course of his official duties.”

The code doesn’t deal directly with donations and endorsements within a public meeting while representing the city in an official capacity, nor does any other piece of the city or Idaho code.

“This is a good reminder of why work of the legislative working group on campaign finance and ethics reform is so important,” said Ada County Chief Deputy Clerk Phil McGrane. “Situations arise where people engage in activities that the Legislature and our laws haven’t anticipated.”

The Campaign Finance Reform Legislative Work Group has worked over the summer to modify the current campaign finance laws. The group, however, has focused on campaign contributions and disclosures, not electioneering.

The rules on electioneering for public employees and officials in Idaho are murky, or nonexistent. No piece of Idaho code prevents what happened at the airport commission meeting. No section of Idaho code expressly forbids council members, commissioners or even lawmakers from receiving contributions in committee meetings, or on the floor of the Idaho House or Senate. The line where campaigning stops and the public work begins is not clearly defined by law.

Lauren McLean, Boise City Council President Pro Tem, was also at the meeting. “I immediately contacted the commission’s attorney and asked that a briefing on electioneering be presented at the next meeting,” McLean said in an interview with Idaho Reports.

In the October commission meeting, the issue of ethics did come up. The minutes haven’t yet been posted, but Sean Briggs, the marketing manager for the Boise Airport, says commissioners received a presentation about the roles and responsibilities of the commission. “This included a slide at the end that talked about ethics, focused on conflict of interest,” Briggs said.

In an email to Idaho Reports, Walker said “an attorney from the City spoke to me about the matter, and I assured her that I understood the impropriety of such a display and that it was certainly not my intent to have that happen.”

That leaves Boise voters with “impropriety,” as Walker put it, but nothing illegal.

As for the state, a more substantial issue is at hand: Should Idaho have rules about electioneering for public employees and elected officials? McGrane thinks so. “Clearer guidance on what is and isn’t appropriate would benefit everyone,” he said.

**The Sacramento Bee  
November 7, 2017**

**These 500 interests spent the most influencing California lawmakers this year**

<http://www.sacbee.com/news/politics-government/capitol-alert/article183131981.html>

The end of California's legislative session in September saw lawmakers and Gov. Jerry Brown make a deal on a housing stimulus package, extend California's cap-and-trade program and hammer out legislation some say makes California a "sanctuary state" for undocumented immigrants.

They also managed to pass – and kill – hundreds of lesser-known bills that were very important to at least some groups. None of it went down outside the watchful eye of Sacramento's lobbying corps and the corporations, unions, local governments and other interest groups that employ them.

Those lobbyist employers spent \$85.2 million trying to influence policy in the third quarter of the year, slightly less than the \$86.4 million spent in the same period in the 2015-16 session, according to data from the California Secretary of State. Through the first nine months of the year, however, lobbyist employer spending stood at \$253.6 million for 2017, nearly 8 percent more than the \$235.5 million spent during the same period in 2015.

Much of the money was spent on things other than salaries for lobbyists. The petroleum association, for instance, spent \$1.2 million in the three months on other non-overhead expenses, including political consultants, public relations firms and advertising companies. Alameda County wrote \$662,000 in checks to two dozen statewide or regional government organizations, from welfare directors to election clerks.

Top third quarter spenders on state lobbying included oil companies, public employee unions and local governments.

- Western State Petroleum Association – \$2.3 million
- Chevron – \$1.1 million
- California State Council of Service Employees – \$870,675
- California Chamber of Commerce – \$769,919
- Alameda County – \$737,062
- California Hospital Association/California Association of Hospitals and Health Systems – \$686,500
- NextGen Climate Action – \$670,897
- San Diego County – \$625,369
- City of Los Angeles – \$616,207
- California Teachers Association – \$578,812

**Politico**  
**November 6, 2017**

**Tax lobbyists spring to win changes to House Bill**

<https://www.politico.com/story/2017/11/06/tax-lobbyists-house-bill-senate-244624>

House Republicans kept their tax bill under wraps for as long as possible to hold back a deluge of lobbyists. After trade groups spent the weekend poring over the details, the flood is on.

The release of Republicans' long-awaited tax bill has sent trade groups representing everything from architects to universities scrambling to secure changes to legislation they fear would harm their industries.

With the House Ways and Means Committee marking up the bill this week and Republicans determined to move it through the House by Thanksgiving, lobbyists are rushing to make their cases before it's too late.

"We're treating every day like it could be the decisive day," said Bob Chlopak, a lobbyist representing Americans Against Double Taxation, a coalition fighting to preserve deductions for state and local taxes.

Since the bill's details were unveiled on Thursday, lobbyists have dug into the text, as their corporate clients plugged the numbers into economic models to figure out how it will affect them. Trade associations in Washington have sent emails to their members across the country and held conferences calls to try to figure out the best way to convince the Ways and Means Committee to spare deductions and tax credits they view as essential to their industries.

Now, many of the groups are settling on strategies for spurring their members to act or identifying members of Congress they will pressure to amend the proposal. Lobbyists see this week as crucial to influencing the House — even as they try to anticipate the course of the tax bill in the Senate, which is set to unveil its own legislation this week.

"You basically have this week" to sway the House, said Jerry Howard, the chief executive of the National Association of Home Builders.

"Realistically, the timeframe in the House is narrow, which is why we're beginning in earnest on the Senate side," Howard added.

House Republicans' proposed tax changes range from the well-known to the relatively obscure. The National Association of Realtors and the National Association of Home Builders, for instance, have spent months pressing lawmakers not to reduce the home mortgage-interest deduction. The home builders endorsed an initial draft of House Republicans' proposal last month, only to pull their support after House Speaker Paul Ryan nixed a tentative deal the home builders had struck Ways and Means Committee Chairman Kevin Brady.

The House bill unveiled last week would limit the deduction on new home purchases to mortgages of \$500,000, instead of \$1 million under current law, and eliminate it for new purchases of second homes.

The details of the House bill came as the Realtors — one of the top lobbying spenders in Washington — gathered at a national conference in Chicago this weekend, giving the group a chance to galvanize members.

"They're all prepared to go back to their states and their communities and make sure their members of Congress know where we stand," said Jamie Gregory, a top lobbyist for the National Association of Realtors.

Realtors across the country have sent more than 114,000 emails to their members of Congress, Gregory said, and they'll decide "within the next two days" where to deploy staff. The group is eyeing sending people to congressional districts with high rates of homeownership that also have high property taxes, making the suburbs of cities like New York, Philadelphia and Chicago likely targets.

The American Institute of Architects, meanwhile, is homing in on ways to save tax credits that have gotten much less attention.

The group sent out an email blast to its members on Thursday identifying three threats in the bill: a change to the tax rate paid by so-called "pass-through" entities that would reduce taxes for many businesses but not architecture firms, and cuts to tax credits for historic preservation and energy efficiency. The architects are appealing to two Republican members of the Ways and Means Committee — Rep. Tom Reed (R-N.Y.), who has supported the historic preservation credit in the past, and Dave Reichert (R-Wash.), who has backed the energy efficiency one — for help.

"We'll be leaning on those folks to really bring the concerns up in the committee," said Ian McTiernan, a lobbyist for the American Institute of Architects.

Other trade groups unhappy with the bill include the American Wind Energy Association and the American Association of Universities.

The Ways and Means Committee began marking up the bill on Monday but did not make speedy progress. Republicans unveiled an amendment on Monday evening that would narrow a proposal to begin taxing private universities' endowments, which had infuriated colleges, and made several other changes.

Trade associations and coalitions also are running online ads and waging campaigns on social media, trying to rouse support to preserve favored tax breaks.

"Our advice to clients for the past several months was to make sure you had a contingency campaign plan in place and a message that can be boiled down to 140 characters," said Ken Spain, a founding partner of CGCN's strategic communications practice and a former House GOP staffer.

Brady has been preparing to tackle a tax overhaul for years, and he's ready for the onslaught of lobbyists looking to preserve their clients' favored provisions, said Lori Harju, a former senior adviser to Brady who's now a lobbyist at Brownstein Hyatt Farber Schreck.

"Brady always said every industry must give something" in order to bring down the overall corporate tax rate, Harju said. "But you don't want to crush an industry, either."

Lobbyists looking to make their case this week should show up with an alternative proposal, Harju said. "Is there a way you think it can be fixed to make it less painful for you?" she said she counsels clients.

"Don't underestimate Kevin Brady," she added. "He is not going to let this die."

**The Orange County Register**  
**November 6, 2017**

**Manafort indictment draws attention to contributions to local campaigns**

<http://www.ocregister.com/2017/11/06/manafort-indictment-draws-attention-to-contributions-to-local-campaigns/>

In the wake of Monday's Russian collusion probe indictments, Democratic congressional candidate Mai Khanh Tran used the news to call on Rep. Ed Royce, R-Fullerton, to return \$9,250 in contributions from a firm that lobbied Congress on behalf of Kremlin-backed government in the Ukraine.

But Tran's tactic could backfire.

Not only did Royce's office announce that they had immediately donated \$9,250 in campaign funds to the Boys and Girls Club of Fullerton, but it emerged that the lobbying firm, Mercury LLC, and another lobbyist involved, Tony Podesta, have given money to the Democratic Congressional Campaign Committee.

The DCCC has set up a regional office in Irvine to help Democrats challenging Republican congressional incumbents, including those running against Royce. Mercury employees have given at least \$5,500 to the DCCC this year and Podesta, who stepped down as chairman of the Podesta Group hours after the indictments became public, has given the committee at least \$58,000 over the past two years.

When asked about these donations, Tran responded, "Anyone who takes this money should return it given what we know."

She cited "the integrity of our lawmaking process."

But that wasn't enough for Fred Whitaker, chairman of the Republican Party of Orange County.

"If Dr. Tran is truly worried about the integrity of the process, I expect she will decline to accept support from anyone — including the DCCC — who has not returned one penny of the thousands received from the Podesta Group," he said.

The DCCC could spend hundreds of thousands of dollars on the Democrat who emerges from the primary to take on Royce, so it will be interesting to see how this plays out. The DCCC's regional press secretary, Drew Godinich, declined comment on the Mercury and Podesta contributions. The \$9,250 of lobbyist money that Royce gave away is a sliver of the \$3.5 million he has in his campaign account.

Asked about Whitaker's call to decline support if the DCCC didn't return the money, Tran's campaign declined further comment and referred to Tran's earlier comment that anyone receiving the money should return it.

Mercury and Podesta were hired as part of a multi-million dollar lobbying effort led by Paul Manafort and Rick Gates. Manafort and Gates were indicted Oct. 30 on charges related to money laundering and failing to register as agents of the Russian-backed government of Ukraine.

**Rohrabacher's money**

The Oct. 30 indictments also prompted calls for Rep. Dana Rohrabacher, R-Costa Mesa, to return a \$1,000 campaign contribution he received from Manafort in 2013. Both Democratic challenger Hans Kierstead and the DCCC called for the money to be returned. Neither mentioned another \$1,500 Rohrabacher also received that year from Mercury employees.

Rohrabacher spokesman Ken Grubbs noted that Manafort was innocent until proven otherwise and that Rohrabacher said he'd return the money if Manafort was convicted or pleaded guilty.

Neither Rohrabacher nor Royce are obliged to return the contributions. And while Royce, chairman of the House Foreign Affairs Committee, received far more money, he has been outspoken in his criticism of Russian aggression in the Ukraine and authored sanctions against Russia, Iran and North Korea. Rohrabacher, on the other hand, has taken a friendlier posture toward Russia.

Meanwhile, Rohrabacher has been somewhat vindicated, at least within the GOP, in his call for the Foreign Affairs Committee to look into possible connections between Hillary Clinton and the Kremlin. Rohrabacher, a member of the committee and chairman of its Subcommittee on Europe, Eurasia and Emerging Threats, was told by committee leadership that neither the committee nor his subcommittee was the appropriate venue for such an investigation.

However, last month the House Intelligence and Oversight committees said they would look into one of the issues Rohrabacher's been concerned with: The Obama administration's decision to allow a company run by the Russian government to buy a Canadian business that controls 20 percent of the U.S. uranium supply — and what role, if any, Clinton, as secretary of state, had in the decision.

Rohrabacher applauded the decision.

"For longer than a year, the media have been pushing the Trump–Russia narrative down America's throat," Rohrabacher said in a news release. "This (uranium deal) could well turn out to be one of the biggest frauds in our country's history, made even worse by substantiation of the Clintons' collusion with Russia."

**Politico**  
**November 7, 2017**

**Florida Pro: Lobbyist-Lawmaker Sex Could Become A Banned Gift**

<https://www.politico.com/pro/blog/florida-pro-lobbyist-lawmaker-sex-could-become-a-banned-gift->

Sex between legislators and lobbyists could soon become illegal under Florida's gift ban.

In the wake of back-to-back scandals rocking the Florida Senate, state Sen. Lauren Book said Monday she's working with other legislators to draft legislation banning lawmaker-lobbyist sex and she's trying to establish a panel and process to handle sexual harassment claims.

Lawmakers from both parties started seriously discussing sex as part of the gift ban after state Sen. Jeff Clemens abruptly resigned his seat after POLITICO reported the incoming Democratic leader had an extramarital affair with a lobbyist. Clemens' friend, Republican state Sen. Jack Latvala, was accused Nov. 3 by a handful of women who told POLITICO that he had sexually harassed them. Latvala denied the charges, but the women are too scared to come forward, fearing retaliation from the now-deposed Florida Senate budget chief.

"I know they are scared," Book (D-Plantation) told POLITICO on Monday. "But there's an independent investigation. And there are people in the body committed to making sure this happens the right way."

Book didn't deny that the women had more cause to be alarmed given Senate President Joe Negron's initial handling of the case when he appointed the Senate's general counsel — longtime Latvala friend Dawn Roberts — to investigate the accusations. Since then, Roberts has recused herself and Negron has

called for an independent investigator. His office said he will appoint a special counsel before the end of the week.

Book said she believed victims would be too nervous to speak out regardless of the lawmaker they were accusing. Latvala was a particularly powerful legislator until he agreed to relinquish his budget chairmanship Monday, albeit on a temporary basis pending the outcome of the investigation.

Meanwhile, Book and other legislators want to establish an independent process so that future accusers feel comfortable coming forward. She wants a task force to make recommendations for improving sexual harassment policy.

Other lawmakers say they favor that idea as well as her proposal to add "sexual coercion" to Florida Statute 112.313, which bans lawmakers from accepting gifts. The current statute contemplates financial transactions, not sexual ones, although the Florida Supreme Court has recognized sex as a type of currency. In a 2004 ruling, the court upheld a guilty verdict against a Miami-Dade police officer convicted of accepting "unlawful compensation" for having sex with a 19-year-old woman in return for not arresting her for drunken driving.

Book said she was working on legislation with a fellow Democrat in the House, state Rep. Kristin Jacobs (D-Coconut Creek). The House Republican budget chief, Carlos Trujillo, is already throwing his weight behind it.

"Sex should be defined as an impermissible gift covered under the gift ban," said Trujillo (R-Miami).

One legislator quipped that it only makes sense to ban legislator-lobbyist sex because "if we can't ride on their airplanes, we shouldn't ride them either."

State Rep. Evan Jenne (D-Dania Beach) said the legislation is overdue. "I've never traded sex for a vote. But I know it happens. And I'm hearing about it more and more," he said.

Added Jenne: "I'm hearing there are habitual harassers and there are women who are scared to death. If my sister said she wanted to be a lobbyist tomorrow, I would say, 'You're out of your damn mind.'"

Jenne then echoed what has also been privately shared with POLITICO: Female lobbyists are worried they will be collectively punished for sexual harassment allegations against Latvala or other legislators.

"Women in this building are on edge. I'm hearing more from them, and they're actually worried because there are some men in this building who will punish them because they said, 'Well, if you come back to my hotel we can talk about it at midnight.' So they're scared these stories will come out and they will get punished, not the male legislator," he said. "It's sick."

## **Roll Call November 7, 2017**

### **Sweeping Changes Proposed for Foreign Lobbying Law**

[https://www.rollcall.com/news/sweeping-changes-proposed-for-foreign-lobbying-law/?utm\\_source=just-in&utm\\_medium=email&utm\\_campaign=newsletters](https://www.rollcall.com/news/sweeping-changes-proposed-for-foreign-lobbying-law/?utm_source=just-in&utm_medium=email&utm_campaign=newsletters)

A bill introduced by Senate Judiciary Chairman Charles E. Grassley in response to indictments in the special counsel's Russia probe would have far-reaching consequences for U.S. representatives of foreign governments, foreign companies and other international interests.

The Iowa Republican put forward the measure last week after Special Counsel Robert S. Mueller III announced indictments in his investigation of possible Russian interference in the 2016 elections. Republican Rep. Mike Johnson of Louisiana introduced an identical bill in his chamber.

Ex-lobbyists and Trump campaign officials Paul Manafort and Rick Gates were indicted on a number of charges, including violations of a 1938 law known as the Foreign Agents Registration Act.

Though K Street has been absorbed with the unfolding drama of the Mueller investigation, which has roped in the Podesta Group and Mercury LLC, lobbyists have paid less attention to the potentially major changes contained in the Grassley and Johnson measures.

The bill would require anyone in the United States representing foreign corporations — not just foreign governments and political parties — to register under FARA. This change would affect lobbyists as well as lawyers and public relations advisers.

“This is a big deal,” said Joshua Rosenstein of the law firm Sandler Reiff Lamb Rosenstein & Birkenstock.

U.S. lobbyists for foreign-based companies have long filed under a simpler system as part of a 1995 law on lobbying disclosures. But the Grassley and Johnson bill would require filing under FARA, which makes public much more information, including the contacts that lobbyists, lawyers and public relations advisers make with congressional officials.

The Grassley and Johnson measures would also require more frequent disclosures to the Justice Department, following the same quarterly schedule as the system for filing lobbying disclosure reports with Congress. The bill would give the FARA unit at the Justice Department more subpoena-like investigative authority, something the unit has asked of Congress for decades.

“Unfortunately, we’ve seen time and again how lobbyists of foreign principals skirt existing disclosure laws to conceal their clients’ identities and agendas,” Grassley said in a statement. “This bill seeks to correct those flaws by improving enforcement, compliance and oversight of FARA.”

Legal experts on foreign lobbying law, such as Rosenstein and William Minor of DLA Piper, said some parts of the Grassley bill may be an overreaction to the Manafort and Gates indictments.

“There are good reasons to consider amending FARA. We are dealing with a 1930s statute that has really never been updated for modern times,” said Minor, who advises clients who file lobbying disclosures.

But he believes the measures are “potentially an overreaction” to recent events. “There would seem to be other ways to address the current concerns about foreign governments and political parties without requiring the registration of everyone who represents foreign companies or associations,” he said.

### **Bipartisan effort?**

Grassley does not yet have any Senate co-sponsors for his bill, but the chairman has been in talks with Republicans and Democrats and believes that “it’s a bill that can earn broad support from both sides of the aisle,” said Grassley spokesman Taylor Foy.

The House measure has a handful of GOP co-sponsors, including Reps. Ken Buck of Colorado and Brian Babin of Texas.

Some Democrats, including Rep. John Sarbanes of Maryland, said they are looking at the proposal and agree in principle with their Republican colleagues that the 1938 law should be revised.

“If we’re going to protect our democracy from this foreign influence, FARA definitely needs to be strengthened,” Sarbanes said.

Some of the provisions in the 34-page legislation stem from a 2016 Justice Department inspector general report, which found lax enforcement of the foreign lobbying law.

Adam S. Hickey, deputy assistant attorney general, told Grassley's committee this summer that the DOJ had fully implemented most of the 14 recommendations in the report and was working toward adopting the remaining ones.

FARA advisory opinions, for example, are now publicly available, Hickey said.

Though Congress has shown no interest in pursuing an overhaul of lobbying or ethics laws, the widening Mueller probe may spur on such legislation.

K Street is already on alert.

One of its most storied firms, the Podesta Group, is reportedly disbanding amid reports that its founder, Democratic lobbyist and campaign donor Tony Podesta, was closing shop.

Podesta disclosed to the Justice Department in a previous filing under FARA that he was the sole owner of the firm, and two sources with the firm said some of its lobbyists and public relations professionals were forming a new shop with the expectation that some clients would follow.

Some won't.

"As a part of the development of Wells Fargo's new Government Relations and Public Policy organization, the company is conducting an ongoing review of all external vendor relationships in Washington, DC," said Jennifer Dunn, a spokeswoman for Wells Fargo, in an email. "The company has terminated its relationship with the Podesta Group as a result of that review."