

# MULTISTATE

Lobbying | Tracking | Compliance | Consulting

## Weekly Lobbying Articles

November 30, 2017

Star-Telegram

November 29, 2017

### Longtime lobbyist mounts primary challenge to Agriculture Commissioner Sid Miller

<http://www.star-telegram.com/news/politics-government/state-politics/article187232273.html>

Agriculture Commissioner Sid Miller is getting a primary challenge from Trey Blocker, the longtime lobbyist, ethics adviser and attorney from Austin.

"I'm running because we need to bring honesty, integrity and fiscal responsibility back to the Department of Agriculture," Blocker said in a video announcing his campaign Wednesday. "We need to restore TDA to its core mission of promoting, protecting and preserving Texas agriculture and rural Texas. And we need a commissioner who can be an articulate, intelligent defender of our core conservative values."

Blocker's long-rumored run against Miller sets up potentially the most serious primary challenge yet to a statewide official in 2018.

Miller is seeking a second term after three years on the job marked by a number of high-profile controversies, ranging from a Texas Rangers investigation into out-of-state, taxpayer-funded trips he took — no charges were ever brought — to the time his Twitter account sent out a message using the c-word to refer to Hillary Clinton.

Miller courted controversy early in his first term, when he pushed for dramatic fee hikes for a wide range of services the department offers — a move that irked farmers, ranchers and his former colleagues in the Texas House. A state audit later found that the higher fees generated millions more dollars than the programs cost to operate in 2016.

"Over the past four years, we've watched a career politician, embroiled in ethical controversies, raise taxes and grow government at a level that would make Bernie Sanders proud," Blocker says in the video. "Asking our elected officials to be ethical shouldn't be too much to ask for."

In a statement responding to Blocker's candidacy, Miller said he was "shocked" that Blocker is running as a Republican, alluding to his involvement in some Democratic politics as a lobbyist. The statement went on to call Blocker a "low-level lobbyist mired in the Capitol swamp" and an "Austin insider who doesn't know the first thing about Texas agriculture."

"It's hard to take him seriously when he claims his ag experience comes from cleaning out horse stalls as a kid," Miller said, referring to another video Blocker released Wednesday. "Trey Blocker doesn't know jack-diddly about Texas ag."

While Blocker is critical of Miller's leadership of the Texas Department of Agriculture, the challenger also is looking to provide a contrast with the incumbent on one of the biggest issues in Republican primaries: immigration.

"I don't think we're tough enough on the immigration issue," Blocker said in the video, calling for a "moratorium on current levels of immigration until we have true reform."

Blocker has long been talked about as a potential candidate for agriculture commissioner. In June, he set up a campaign account with the Texas Ethics Commission and loaned himself \$750,000 — well above Miller's cash-on-hand total.

At the time, Blocker said he would consider running for agriculture commissioner if Miller got an appointment in the U.S. Department of Agriculture.

Earlier this month, Blocker announced he was taking a leave of absence from his firm, Stalwart Strategies, to pursue "some personal projects." At the firm, formerly known as The Blocker Group, Blocker lobbied for a number of entities with major agricultural interests, including the chemical giant Monsanto.

Miller announced his re-election bid earlier this month, touting the "dramatic reform" that he has brought to the TDA. He released a "Big 100" list of endorsements from conservative activists, former elected officials and other prominent GOP supporters. He gave the title of campaign chairman to controversial rocker Ted Nugent, who was already serving as treasurer.

Blocker has been on Miller's radar. After Blocker called Miller an "embarrassment" to Texas on his podcast earlier this month, the incumbent unleashed a series of Facebook posts attacking Blocker over his lobbying history and a \$2,500 donation he gave to the Texas Democratic Party in January. One of the posts appeared to compare Blocker to the comic fictional character Pee-wee Herman.

As Blocker has drawn Miller's attention, Blocker has not shied away from his long tenure around state government, saying he has been "in the belly of the beast" and seen the corruption he is now giving up his lobby practice to fight. He has also pointed out that Miller was in the same trade not too long ago — he worked as a lobbyist after leaving the state House in 2013.

Blocker is not Miller's only opponent for re-election. The agriculture commissioner also faces Democrat Kim Olson, a retired Air Force colonel.

**My Statesman**  
**November 29, 2017**

**What do clients pay to sway Austin City Council? Lobbyists won't say.**

<http://www.mystatesman.com/news/local-govt--politics/what-clients-pay-sway-austin-city-council-lobbyists-won-say/86HdPlckYaa6Qbl26oY7WP/>

The city's rules on lobbyist reporting rules are essentially the same as those on the state and federal level.

But the lobbyists who also are lawyers argue their compensation is privileged attorney-client communication.

After a yearslong process to close loopholes in Austin ethics rules, city leaders passed stronger regulations that went into effect in June. Among the new rules: Lobbyists must disclose how much their clients are paying them to sway Austin officials, as they also must report on the state and federal level.

Nah, said a swath of local lobbyists.

At least 17 Austin lobbyists who are also lawyers refused to complete the form on the grounds that their compensation is privileged attorney-client communication. The lobbyist reporting form asks for a ballpark range of payment.

So local activist and attorney Fred Lewis marched into City Hall on Tuesday afternoon with a stack of ethics complaints against David Anderson, Leah Bojo, Amanda Brown, Peter Cesaro, Stephen Drenner, Laci Ehlers, David Hartman, William Herring, Jeffrey Howard, John Joseph, Michele Lynch, Pamela Madere, Nikelle Meade, Steven Metcalfe, Amanda Swor, Michael Whellan and Talley Williams.

Their refusal to disclose compensation to City Hall appears to have been coordinated. Fourteen of the 17, from five different law firms, wrote the exact same sentence on their forms: "Disclosure of client compensation is not provided because such disclosure would violate applicable state law in Texas Disciplinary Rule 1.05 and Chapter 81 of the Texas Government Code."

None of the lobbyists returned phone calls seeking comment Tuesday or Wednesday.

Lewis, whose push for more serious ethics rules in Austin helped lead to the overhaul, said he was frustrated with the lawyers' refusal to comply and with the city's failure, so far, to enforce the measures.

"It matters whether a special interest is willing to spend \$200,000 or \$2,000," Lewis said. "It tells you something about the magnitude of their interest."

Not all lawyers shied away from providing the information. Prominent city power-brokers Richard Suttle and David Armbrust filed the disclosures without objection, as did at least a dozen other lawyer lobbyists, according to Lewis' analysis.

He initially filed, and then withdrew, two additional complaints against lobbyists who first declined to provide the compensation ranges and then later complied. One of them, Mark Nathan, updated the form Wednesday and said in an email to Lewis that his rationale for not providing the information no longer applied and the complaint brought it to his attention.

Lewis argued that on the state level, seeing the compensation has painted a picture of which interests are most represented. For example, in 2013, about 19 percent of all lobbying money was spent on energy and natural resource issues, versus only 2 percent for both agricultural and labor issues, according to a report from Texans for Public Justice.

Jack Gullahorn, a lawyer and lobbyist who headed the Professional Advocacy Association of Texas for 15 years, said many lobbyists, including himself, don't think compensation disclosures should be necessary. But he's unaware of anyone challenging the state rules, which are virtually identical to the new Austin rules. Both require compensation to be noted in \$25,000 to \$50,000 range categories.

"How different is the state? It really isn't," he said. "The 1,900 lobbyists who register with the state all have to report compensation. ... I'm sympathetic to the fact that people don't think it's necessary, but in my opinion (the city) can require it."

City Council Member Leslie Pool, who helped spearhead the new rules, said she was surprised by those who refused to comply.

"We had a huge stakeholder process," Pool said. "We delayed implementation of the reports until June. The city clerk works pretty hard to explain it to people. It's not unlike doing financial reporting, which I do my own for my campaign. And they are just not filing. There has to be some response that the city makes."

For now, Pool acknowledged that the rules are relatively toothless. Even if the city's Ethics Review Commission, a council-appointed board, finds the lobbyists violated ethics rules, it would still have to refer the cases to the city attorney for actual prosecution. The offense would be a Class C misdemeanor with a maximum fine of \$500.

"This is new, so we wanted to see how it rolled out," Pool said. "Lobbyists choosing not to file as a protest isn't my expected outcome. I don't want to make more rules; I was hoping people would follow the ones we put in place."

### **The Hill**

**November 28, 2017**

#### **Foreign lobbying law open to exploitation**

<http://thehill.com/business-a-lobbying/362042-foreign-lobbying-law-open-to-exploitation>

Washington's foreign agents are able to operate in a legal gray zone thanks to ambiguities in the law and less-than-stringent enforcement.

Foreign lobbying has come to the forefront due to special counsel Robert Mueller's investigation of Russia and the Trump campaign. Mueller has already indicted campaign aides Paul Manafort and Richard Gates over their lobbying work, and former White House national security adviser Michael Flynn is under scrutiny as well.

People who work for foreign government clients are subject to the Foreign Agents Registration Act (FARA), a World War II-era law enacted to stop Nazi propaganda from entering the United States by providing more transparency about the work these firms do.

Unlike domestic lobbying, requirements for FARA registration are broad, covering anyone who engages in lobbying or public relations for a foreign government-connected client. Communications with media, government officials and staff and think tank experts must be disclosed every six months.

Even consultants who simply advise a foreign government, political party or government official — without making any contacts on their behalf — have to file paperwork with the Justice Department if their work involves U.S. policy.

Firms can earn upwards of \$100,000 per month for such work, which can take the sting out of the paperwork requirements.

But to a large extent, the foreign agent disclosure rules operate on what essentially amounts to an honor system.

The FARA Unit in the National Security Division of the Justice Department doesn't have the ability to issue subpoenas, so officials generally learn about potential violations through media reports.

Last year, the Justice Department's inspector general released a report that highlighted the unit's issues and the rampant problems with compliance.

The FARA office is notoriously understaffed and underfunded despite being tasked with policing the hundreds of registrants who file — and those who don't.

More individuals are reportedly filing as foreign agents out of an abundance of caution in the wake of the Mueller indictments, but it's uncertain whether the trend will continue.

"I do think you will probably see an uptick in FARA registrations in the short term, because people will watch what just happened" with Manafort and Gates, said Matt Miller, a former Justice Department spokesman.

"In the long term, I don't think we'll see an increase in enforcement. Mueller has a lot of resources to throw at the people he's looking at, and he's looking at them for other things than FARA. The FARA Unit doesn't have those same resources," he said.

The Hill spoke with more than a dozen lawyers and current and former foreign agents for this story; all of them emphasized that a majority of firms want to operate within the law.

But the Justice Department has only brought seven criminal cases under FARA over the last 50 years, raising questions about how much lobbyists fear violating it.

The FARA Unit is "housed in a division that's set up to fight terrorism; FARA is only a small part of what the division does, and not the highest priority by far," said Miller. "Trying to convince someone whose job it is to catch terrorists and spies to spend more time on FARA enforcement is pretty hard."

What's more, a firm generally only gets into trouble if they "willfully" evade the law, meaning a foreign agent can wait months or years to declare work that they've done; they're in the clear so long as they

file the required paperwork eventually. More than half of the registrants examined by the Justice Department inspector general had filed disclosures late.

The absence of subpoena power for the FARA unit also makes conducting investigations extremely difficult, the inspector general report said.

One former foreign agent recalled being notified that the Justice Department was coming to his office for a random audit. The agency told the firm that they could either set out the files it wanted the department to inspect, the person told *The Hill*, or have officials go through the files themselves.

This person said the firm had records that would have raised red flags, so it offered to pull files for the Justice Department — but only the ones that were above board.

“If you look at the sheer number of people registered versus the number of employees the FARA Unit has, we’ve got them outdone,” the person said. “It’s like PR people and reporters, we’ve got them outnumbered in this town by 50 to 1.”

There are also gray areas in the FARA rules.

Thomas Spulak, of King & Spalding, notes that the law says even being “indirectly supervised, directed, controlled, financed or subsidized” in “whole or major part” would trigger registration, but others say there may be some confusion about what that entails.

A person has to register as a foreign agent if the “principal beneficiary” is a foreign government-connected entity, but that term is not defined, nor is the definition of “whole or major part” made clear, said Joshua Ian Rosenstein, a lobbying compliance attorney at Sandler Reiff Lamb Rosenstein & Birkenstock.

For example, several lawyers said one ambiguous area in the disclosure law is lobbying work for a private foreign company, or its U.S. subsidiary, when there is a foreign government official sitting on its board.

The lawyers all indicated that the Justice Department has the authority to craft new rules detailing more specific instructions and there are bills on Capitol Hill that aim to put more teeth into the law’s enforcement.

FARA has failed to keep pace with the rise of more sophisticated lobbying and public relations campaigns and present-day political landscape.

“The problem is, FARA is not a statute with many clear bright lines. There are some, but there is so much ambiguity and so much vague language used in FARA that it can be a real challenge in the face of modern lobbying campaigns when someone may need to register,” said Caleb Burns, a lobbying and campaign finance compliance attorney at Wiley Rein.

One current foreign agent said that “there is a significantly greater likelihood that someone will propose to you something that’s illegal” while working for foreign clients versus domestic ones.

“[It’s] because they don’t understand U.S. law or because they know what they’re doing, they don’t care, and are happy to find a consultant who feels the same.”

A person could set up a U.S. nonprofit funded by foreign cash. The entity could then register under domestic lobbying laws, policed by Congress, which impose far fewer disclosure requirements. The contract still falls under FARA if the money originates from a foreign government or political party. Current and former foreign agents say, however, that it can be difficult to tell where funding for a prospective client is coming from.

“We call them ghost ships. Sure, there’s a ship, but there [aren’t] any souls on it,” said a second former foreign agent.

It is a problem seen in the situation unfolding with the men in Trump’s orbit.

In one case, Manafort and two Washington firms worked for a Brussels-based nonprofit that had been connected to a pro-Russia Ukrainian political party, but had signed affidavits swearing it had no foreign influence. They retroactively filed disclosures with the Justice Department, which suggests the work had actually meant to serve Ukrainian government interests.

Flynn, the former national security adviser, had worked for a wealthy businessman in Turkey, but had to retroactively register upon further inquiry by the Justice Department. The work is thought to have been to the benefit Turkey’s government.

The second former foreign agent, who is still on K Street, said he had been offered four times his current salary to come to a firm and do FARA work, but turned it down.

“For the most part, it’s impossible to track where this money is coming from anymore. ... The tip of the iceberg, that is just the part you see,” the person said.

**POLITICO**  
**November 26, 2017**

**The big Washington food fight**

<https://www.politico.com/story/2017/11/26/food-lobby-consumer-tastes-washington-190528>

Nestlé, the world’s largest food company, rocked food circles in late October with the news that it was leaving the industry’s most powerful lobbying group in Washington, the Grocery Manufacturers Association, amid disagreements about how to respond to changing consumer tastes.

The departure of a conglomerate that owns thousands of brands — from Hot Pockets to Deer Park water — was the most visible sign yet that the food industry’s reign in Washington is faltering as some companies scramble to adapt to rapidly evolving consumer demands while others are slower to embrace the trends. Long the attack group for large companies like Kraft and General Mills on legislative and regulatory issues, GMA now has members like Nestlé opposing some of its positions.

The splintering of the food lobby has been driven in part by an upheaval at the grocery store, where iconic brands are stagnating as millennials and moms seek healthier and more transparent products. But complacency and a lack of leadership at GMA are also to blame, according to interviews with more than a dozen current and former member companies, former staff and other industry leaders in Washington.

In the past year, the trickle of news about member companies deciding to leave GMA appear to be not one-offs, but part of a burgeoning trend.

Six months before Nestlé's decision, Campbell Soup Co., maker of Goldfish crackers and V8 juices, announced it was leaving GMA, in part because the association fought bitterly against mandatory labeling for foods with genetically modified ingredients, or GMOs. In what may have been a contrarian view, Campbell decided to stop fighting and instead embrace GMO labeling early last year, believing that consumers want more information about what's in their food and where it comes from — not less. Both Nestlé and Campbell are leaving the group at the end of the year.

By signing up you agree to receive email newsletters or alerts from POLITICO. You can unsubscribe at any time.

Other major food companies are also eyeing the door: Dean Foods, the largest dairy company in the country, has quietly decided to leave the association. Several others, including Mars — one of the largest private food companies, which owns swaths of globally recognized brands, from candy to pet food — are considering it.

"Some of these companies are realizing that being more progressive is a good place to be, from a marketing perspective," said Melissa Musiker, vice president and director of food and nutrition policy at APCO Worldwide, a public relations and consultancy firm. "They get kudos for it."

"In the past, there was protection in numbers — you kind of hunkered down, and to the extent that these companies stuck together, they could win," said Musiker, who worked at GMA as a director on science and nutrition policy from 2009 to 2011.

Nestlé and Mars declined to comment for this story. Campbell Soup Co. also declined to comment on why it publicly split with GMA last summer. A spokesperson for Dean Foods told POLITICO the company was leaving GMA "so we can prioritize and allocate our limited time and resources elsewhere," and declined to comment further. Some in Washington speculate that Dean Foods left for fiscal reasons amid well-documented financial troubles, and not over an ideological division with GMA.

### **A permanent shift in consumer tastes**

The food industry's disarray in Washington has been simmering for a long time.

Companies are increasingly under pressure to find growth in a market in which more and more consumers are seeking healthier fare, whether they're buying organic baby food, cereal without artificial colors or meats raised without antibiotics. These changing tastes are no longer considered just a niche market driven by high-income consumers. The top 20 U.S. food and beverage companies lost roughly \$18 billion in market share between 2011 and 2017, according to a recent analysis by Credit Suisse.

As legacy brands lag, food companies have two options: Change to compete or buy up the new brands that are already growing rapidly. Many of the cutting-edge brands have become part of conglomerates over the past decade, exacerbating a culture clash in some cases between the old and the new: Naked Juice is now owned by PepsiCo, Honest Tea belongs to Coca-Cola, Larabar is under General Mills, Kashi is owned by Kellogg's, and Nestlé just bought Blue Bottle, a cold brew coffee company with deep California roots. Naked Juice is now owned by PepsiCo, Honest Tea (pictured here) belongs to Coca-Cola,

Larabar is under General Mills, Kashi is owned by Kellogg's, and Nestle just bought Blue Bottle, a cold brew coffee company with deep California roots.

Today, all of the largest food companies own brands like Betty Crocker alongside Annie's organic macaroni and cheese, which may have competing priorities and values.

Roger Lowe, a spokesman for GMA, said the association is adapting to these changes. "It is not so much an industry divided as an industry that has been tremendously disrupted and is evolving at an unprecedented pace," he said. "There's no question that companies — and GMA — are all different today than they were five years ago or three years ago — and that we all will continue to evolve and change at a faster pace."

Unity frayed gradually, but cracks in the industry coalition really began to emerge during the Obama administration, when the nutrition agenda ran contrary to the decades-long status quo. First lady Michelle Obama made combating childhood obesity her signature issue, putting an incredible amount of pressure on the industry to change.

When the Food and Drug Administration unveiled its update for the Nutrition Facts label in 2014 with a new requirement to list "added sugars" for the first time, plenty of food companies were furious, arguing that it wasn't based in science and would confuse consumers. But others, including Nestlé and Mars, accepted the idea, concluding it was what consumers wanted or would be good for their business, or both.

GMA's members were so divided over the policy that the association submitted split comments to the regulator, with minority and majority opinions that argued the pros and cons of added sugars labeling, a public division that no one could recall happening in the past.

Today, food companies are divided over when the Nutrition Facts label changes should take effect. The Trump administration announced earlier this year it would delay the compliance deadline 18 months after GMA and other leading food companies asked for more time. The new labels are scheduled to start becoming mandatory in January 2020. Earlier this month, however, Coca-Cola broke from GMA and told the FDA the labels should roll out sooner because consumers want more information.

Lowe of GMA pointed out that the food industry is united on other issues, including pushing for the Food Safety Modernization Act, a massive update to food safety law that Congress passed in 2010. There also is broad, ongoing work to reduce food waste, including commitments to make expiration dates less confusing for consumers.

Still, with each episode of discord, both internally and publicly, it becomes harder for GMA to convince its members to pay fees to belong to a trade group that's rife with division and, at times, fights against issues they either don't want fought or don't want to be associated with.

"Companies that get it have said, 'Why are we paying GMA more than \$1 million a year to lobby for things that our brands don't support?'" said Jeff Nedelman, founder of the public relations firm Strategic Communications, which works with health and wellness brands, and a VP of communications at GMA during the 1980s and '90s.

"To me, it looks like GMA is the dinosaur just waiting to die," Nedelman added.

The association, which says it has more than 250 members, bases its membership fees on U.S. sales volume, so the larger companies pay the most. Nestlé was one of the top dues-paying members, according to people familiar with GMA's structure, which means the Swiss-based company's exit could be a tough blow to the association's operating budget.

### **GMA loses its grip on swaying policy**

Last month, Campbell made waves again by joining the upstart Plant Based Foods Association, a group that represents a lot of alternative meat makers and other fast-growing companies. PBFA membership dues for large companies like Campbell are only \$25,000, much less than the more than \$317,000 Campbell has been paying GMA, according to financial disclosures.

"At times, we find ourselves with philosophical differences with many of our peers in the food industry on important issues ... and our trade association," Denise Morrison, CEO of Campbell Soup Co., said at the company's Institutional Investor Day last summer, around the time the company announced it would leave GMA at the end of the year.

"More than one food industry lobbyist has told me that they spend more time lobbying their industry association than they do Capitol Hill," said Scott Faber, vice president of government affairs at the Environmental Working Group — a position he held at GMA from 2007 to 2012. "It begs the question about whether associations like GMA are obsolete."

Lowe said the association has picked up new members in the past year, but he did not disclose which companies have joined. The membership used to be listed on GMA's website, but it was taken down after a nasty battle over GMO labeling in California, during which a handful of GMA member companies were boycotted for spending millions to defeat a ballot initiative there.

Frustration among member companies is not limited to policy disagreements. GMA has kept up its spending even as its members are cutting costs and laying off workers to meet their quarterly targets. Pam Bailey, president and CEO of GMA, earned more than \$2 million in 2016. But more fundamentally, members fault the association for not adapting more quickly to the changing consumer environment or the disruption in the marketplace.

"Senior management is making fortunes in salaries," said Nedelman, a former GMA executive who still consults for the industry. "Nestlé and other companies are looking at that and saying, 'What in the hell is going on? Why are we paying these people all this money, and getting nothing?'"

### **Labeling battle drives a wedge**

A protracted war over GMO labeling lay bare that the food lobbying group needed the help of other industries to get its agenda through Congress.

Since 2012, GMA had spent tens of millions fighting state laws requiring food containing genetically engineered ingredients to be labeled. The group prevailed at first, defeating ballot initiatives in California and Washington. But it lost in Connecticut and Maine. In May 2014, Vermont became the first state to approve a mandatory labeling law with a firm effective date.

The food industry swarmed Capitol Hill offices to argue that a patchwork of state labeling laws would be disastrous for companies' bottom lines. At the same time, some congressional offices reported that they received more calls supporting GMO labeling than any other single policy issue.

GMA since 2012 has spent about \$37 million lobbying Congress and federal agencies on an array of industry issues, according to the Center for Responsive Politics. The GMO labeling fight was its top priority during the majority of those years. But when it came time to close the deal, the group sought the help of the agribusiness and biotechnology sector, which was worried that labeling would send a message to consumers that the genetically engineered corn, soybeans and sugar found in about 75 percent of processed foods is unsafe to eat, despite the scientific consensus on safety.

Last summer, Congress passed legislation that preempted state laws and made GMO disclosure mandatory, though food companies have flexibility in how to present the information, whether on packaging or digitally via smartphone.

GMA and the agriculture and biotech groups all say that the final bill was a clear win for their industries.

"You would've had a patchwork of different state laws," Lowe of GMA said. "Stopping that and establishing a uniform standard was the No. 1 priority of the food and beverage industry."

Still, some involved in GMA's yearslong campaign against GMO labeling debate whether it all was worth it. The costs poured into lobbying at the state and federal level added up. And consumers were left with the impression that the industry was against transparency.

"We missed an inflection point with consumers," said one longtime industry consultant. "When consumers had access to the internet, we denied them access to information. What the hell?"

GMA says it has opened up a new chapter in recent years in which it is committed to transparency and building consumer trust, according to Lowe. He pointed to the development of SmartLabel, an online database that GMA rolled out last year with the Food Marketing Institute, which represents grocery retailers. As of Friday, SmartLabel had information on more than 16,000 products made by 40 companies, such as Nestlé, Hershey's, General Mills, Kellogg's, ConAgra and Kraft Heinz. The goal is to have 34,000 products enrolled by the end of the year.

The association also recently decided to formally urge the Department of Agriculture to adopt a broad definition of GMOs as it comes up with labeling regulations to ensure that products containing ingredients like high fructose corn syrup or soybean oil would be labeled and not exempted.

### **Internal turbulence**

Undermining this narrative, however, is the fact that GMA last year was hit with an \$18 million fine by Washington state, which said that the association intentionally hid the source of its donations to the campaign opposing the 2013 ballot initiative on GMO labeling. The fine was a record penalty for violating state campaign finance laws.

GMA raised more than \$14 million from Pepsi, Nestlé, Coke, General Mills, ConAgra, Campbell and others, then contributed \$11 million of that to the campaign in Washington state in an effort to shield individual companies from being associated with the effort.

The court in its decision described GMA President Bailey's testimony as "combative at times," noting that she often wouldn't answer questions directly and instead asked questions of her own. The court offered the same criticism of Louis Finkel, who then served as the trade association's executive vice president of government affairs. Finkel left in 2014 to be a lobbyist for the oil industry.

The association has denied any wrongdoing and has accused Washington state Attorney General Bob Ferguson of going after the industry to further his political career. GMA has appealed the decision and is waiting for the case to be heard.

After all the drama over the past decade, it remains to be seen whether the new wave of the food industry will end up gravitating toward GMA. Upstart brands that are growing rapidly don't seem to be flocking to the association. Most of them are avoiding Washington, D.C., and trying to stay out of the policy fray as they focus on maximizing growth.

"I don't know a single challenger brand that's said 'Hey, I need to join GMA,'" said John Foraker, the founder and former CEO of Annie's, a natural macaroni and cheese and snack company that General Mills bought for \$820 million in 2014. Foraker had a window into the changing culture in the food industry, in part because he stayed on at Annie's after the acquisition. He recently left to launch a cold-pressed baby food company with actress Jennifer Garner and others.

As more millennials become parents, food companies will have to adapt and change even more, Foraker said, as the majority of shoppers will be looking for brands and companies and products aligned with their values.

"Just wait. The next decade is going to be insane," he said. "Nestlé and GMA — it's just the chop in the water. It's going to get worse."

**The Hill**  
**November 19, 2017**

### **Tech beefs up lobbying amid Russia scrutiny**

<http://thehill.com/policy/technology/360977-tech-beefs-up-lobbying-amid-russia-scrutiny>

Major tech companies are beefing up their lobbying amid scrutiny from Congress over their handling of Russian interference in the 2016 election.

Executives from Facebook, Google and Twitter testified before lawmakers this month about Russian actors using their platforms to influence the vote and tried to reassure them they were taking steps to address the issue.

But lawmakers left the hearings frustrated and say they want more details from the companies and concrete steps to prevent interference in the future. Congress is also considering legislation to toughen disclosure rules for online advertisements.

That threat of tougher regulation has tech firms scrambling.

Facebook, which disclosed that Russian groups bought over 3,000 ads on its platform, recently hired Luke Albee to lobby on matters of "election integrity," according to a lobbying disclosure form this month.

Albee previously served as chief of staff to Sen. Mark Warner (Va.), the top Democrat on the Senate Intelligence Committee, and one of the biggest critics of how Facebook has dealt with the Russia revelations. Warner has pressed Facebook to reveal more information about the 2016 interference to investigators and the public.

According to the filing, Albee was brought onboard just two days before the Senate Intelligence Committee hearing, where Warner and other lawmakers grilled Facebook general counsel Colin Stretch and the top lawyers from Google and Twitter.

Facebook is also bringing other outside lobbyists to assist on the Russian investigation.

The company has hired David Wade, a onetime staffer of former Secretary of State John Kerry, Andrew Collins, a onetime aide to former Vice President Joe Biden, and Stewart Strategies.

Twitter is also spending more on lobbying over the Russia probes, hiring Integrated Solutions Group to advocate for it on "Russias [sic] use of social media platforms regarding the 2016 election" and Mehlman Castagnetti Rosen & Thomas to assist with "Investigations into foreign interference in U.S. elections."

The lobbying hires comes as Silicon Valley faces sharp criticism for not doing more to prevent Russian interference and skepticism that they are doing enough to address the problem.

"I don't think we should take them at their word," said Barbara Romzek, professor of the School of Public Affairs at American University. "I'm not sure — it's not clear to me as someone observing that they've fully embraced their responsibility."

Romzek said she hopes the lobbying blitz doesn't dissuade lawmakers from taking tough steps to prevent foreign election interference online.

"Ultimately it's not who is your lobbyist, it's how thoughtful is the individual listening to them."

Tech executives testified before three committees over two days and faced tough questions from lawmakers. Congress has made it clear they intend to keep up that scrutiny and push for more disclosures.

Google and Twitter agreed during a House Intelligence Committee hearing to make public some of the content created by Russian actors on their platforms, under pressure from the panel's top Democrat, Rep. Adam Schiff (Calif.).

After the Senate Intelligence Hearing, Warner also said he wants more information.

"One thing that's next is trying to get all of the Instagram data from Facebook," Warner said.

Warner is one of the biggest proponents for a legislative fix. He has co-sponsored the Honest Ads Act with Sen. Amy Klobuchar (D-Minn.). The bill would regulate political ads on social media the same way as ads on TV and radio stations, requiring companies to provide more disclosure about who is paying for them.

The pressure on tech companies is also bipartisan.

Sen. John McCain (R-Ariz.) has also signed onto the bill.

Republican Sen. John Kennedy (La.) said the hearings didn't provide enough information and that he wants to see tech CEOs — not just their top lawyers — testifying before Congress.

"I'm not interested in how many lawyers they can hire to dance on the head of a pin," he said. "I would love to have their CEOs attend [another hearing]."

Kennedy also said he "liked the concept" behind Warner and Klobuchar's bill, but wants to see social media companies do more.

"I've always been a proponent of less regulation for the internet than more," he said, adding "I certainly didn't contemplate that these companies would be so successful, so big and therefore so powerful."

Twitter, Facebook and Google are all taking steps to stave off new regulations, including cracking down on Russia-linked accounts and new measures to improve transparency.

But so far those steps haven't been enough for many lawmakers and it's unclear if the new lobbying muscle will prevent tougher rules.

"The problem is, it has to cover everyone. You can't just have a few companies doing it voluntarily. You also want to have it be in our laws," Klobuchar said in October.

Romzek said she worries the lobbying push will distract tech companies from the real issue.

"I think it's a troublesome sign when they put money into lobbying and not money into solving the problem."

**The Washington Free Beacon  
November 17, 2017**

**Firm Fires Dem Lobbyist Indicted for Embezzlement and Misusing Autism Charity Funds**

<http://freebeacon.com/politics/firm-fires-dem-lobbyist-indicted-embezzlement-misusing-autism-charity-funds/>

Former Rep. Jerry Weller (R., Ill.) and some of his lobbying firm's clients are distancing themselves from a longtime Democratic lobbyist who was indicted in September on multiple charges that he and his wife embezzled \$1.4 million from the company and campaign where they respectively worked.

David Miller, a lawyer and former Senate Banking Committee staffer, faces allegations that he and his wife embezzled more than \$650,000 from the campaign fund of a fellow Democratic Virginia state senator and used an autism charity to pay for personal trips and his mortgage.

A grand jury convened by the U.S. Court for the Eastern District of Virginia indicted Miller on charges of mail and wire fraud, conspiracy to launder "monetary interests," and "aggravated identity theft."

Miller is accused of partnering with his wife, Lynn Wallis, in three fraud schemes between 2011 and 2014, including embezzling from the campaign fund of Virginia State Sen. Richard Saslaw.

Wallis, who served as Saslaw's treasurer in his state senator campaign, is now serving 56 months in prison for her role in the schemes. She was also ordered to pay \$1.4 million in restitution.

Weller, a member of the House of Representatives from 1995 to 2009, told the Washington Free Beacon that he had recently terminated Miller's lobbying contract with World Group Public Affairs, or NWG, and told him to inform his clients of his termination.

"I no longer have a business relationship with him," Weller said in an emailed statement. "He was only contracted to do work for those he was registered with."

"He informed me of his legal situation last week, and it was the first I was aware of his legal situation," he added. "Again, he no longer has a relationship with NWG as a consultant."

Lobbying registration records show Miller worked for NWG for the past two and a half years on accounts for clients including the Puerto Rico Manufacturers' Association, or PRMA, the Puerto Private Sector Coalition, Thermo Fisher Scientific, Ariel Investment Management, Highland Pharmaceuticals and the Direct Selling Association.

Despite the lobbying records, Weller said Miller actually only worked on Thermo Fisher Scientific, Highland Pharmaceutical, and PRMA.

A PRMA spokeswoman said the Free Beacon informed her of Miller's indictment and the group reached out to Weller who informed them that Miller was terminated.

"The charges related to the indictment are from a situation not related to any work at NWG and related to a previous employment of Mr. Miller," the spokeswoman said.

In a phone call to the Free Beacon, Miller accused Saslaw of trying to hurt his reputation by spreading news of the indictment.

Miller did not respond to a follow-up call and several email inquiries.

A spokeswoman for Saslaw said, "The senator has no comments."

In the case against his wife, "D.M." was listed as a co-conspirator in court documents.

The district attorney's office in Alexandria said that Wallis, during her tenure as Saslaw's treasurer from June 2013 to Sept. 2014, wrote approximately 70 fraudulent checks from the campaign account without Saslaw's permission or knowledge.

Additionally, Miller and his wife allegedly set up fake law firms as a way to fraudulently bill Miller's employer, SkyLink Air and Logistic Support, for hundreds of thousands of dollars, according to the indictment against Miller.

The couple also allegedly misused funds from a charity they cofounded called the Community College Consortium on Autism and Intellectual Disabilities, which focused on the role community colleges could play in providing affordable curricula to people with autism and intellectual disabilities.

According to court documents, the couple presented the charity as a nonprofit to donors but never applied to the IRS for non-profit status for the organization. The organization collected \$293,000 from

community colleges around the country, as well as a Bulgarian businessman who donated \$500,000 to the group, the documents allege.

Between April 2010 and 2014, Wallis transferred a total of \$482,000 from the charity's account to other bank accounts Wallis or and Miller controlled. The indictment and previous court documents allege that a large portion of that \$482,000 went to pay Wallis's personal expenses, such as mortgages on both his primary residence and an oceanfront vacation property in Bethany Beach, Del., food and restaurants, and a vacation to Jamaica.

According to the indictment against Miller, the couple used a private aircraft to fly to Jamaica where they rented a 9,000-square foot beachfront villa equipped with a full staff, including "butler, chef, housekeeper, laundress, and gardener, as well as a private pool, heated Jacuzzi, tennis court, gazebo, and three-hole putting green by the sea."

Miller ran as a Democrat for clerk of the Circuit Court in Fairfax County in 2007. He dropped out after reports that he owed more than \$38,000 in federal income taxes.

He said at the time that he didn't know "anything about" the failure to pay the back taxes.

Miller's bio lists his former legal and lobbying clients, including the American Bankers Association, American Airlines, Chase Manhattan Bank, and the Mayo Clinic. It also says he worked at one point in his career as the director for taxation for the National Association of Manufacturers.

A 2007 Washington Post article said he had previously lobbied for the Church of Scientology.