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Weekly Lobbying Articles
April 26, 2018

WBRC
April 26, 2018

Governor Ivey campaign reacting to campaign contribution questions tied to new state superintendent

http://www.wbrc.com/story/38045076/governor-ivey-campaign-reacting-to-campaign-contribution-questions-tied-to-new-state-superintendent

There are questions over campaign contributions made by the new state superintendent that are connected to Governor Ivey's campaign and it all happened before she voted for him to get the job.

It started out with Dr. Eric Mackey making a $4,000 to the AL Group Political Action Committee on August 24, 2017. Just five days later that PAC gave $2,000 to Governor Ivey's campaign according to campaign finance reports.

In a close race for state superintendent, Governor Ivey, who voted in her capacity as president of the board, cast a vote for Mackey. Some critics say there appears to be a conflict of interest given the timing of the campaign contributions.

In a state on the campaign contributions, Governor Ivey's campaign spokesperson tells WBRC "PACs, their contributors and Governor Ivey's official duties are completely separate.

The Ivey campaign has received many donations and does not have a practice of reviewing each of the PAC's individual contributors."

There are also questions about Mackey being a registered lobbyist and the fact that Governor Ivey signed an executive order last year banning registered lobbyists from executive branch appointments.

In a statement, the governor's office tells us:

Dr. Mackey is the most qualified candidate to lead the State Department of Education in a new direction, which will focus on student achievement at high levels. His selection by the State Board of Education, through an independent competitive process, is not a gubernatorial appointment as referenced in Executive Order 706. Dr. Mackey's previous position with School Superintendents of Alabama required him to register as a lobbyist, it also provided him with experience working closely with legislators, a vital part of the State Superintendent's job. Also, his appointment is not effective until a contract is executed and once that happens, he will no longer be a registered lobbyist. Governor Ivey remains committed to the highest ethical standards and she expects nothing less from the newly selected state superintendent.

We are still waiting to hear back from Dr. Mackey regarding the campaign contributions.

Roll Call
April 26, 2018

Mulvaney Backlash May Drive Political Money Changes

https://www.rollcall.com/news/policy/mulvaney-backlash-political-money

Advocates for tougher campaign finance regulations say comments from Mick Mulvaney seeming to describe a pay-to-play style of politics on Capitol Hill will boost their long-term effort to overhaul the rules and could benefit like-minded candidates in the midterm elections.

Mulvaney, the White House budget chief and acting director of the Consumer Financial Protection Bureau, told a group of bankers Tuesday that when he served in Congress, his office refused meetings with lobbyists who did not provide political contributions. Mulvaney, a Republican, represented a South Carolina district from January 2011 to February 2017, when he became director of the Office of Management and Budget.

“We had a hierarchy in my office, in Congress. If you were a lobbyist who never gave us money, I didn’t talk to you,” Mulvaney said, according to a transcript of his speech to the American Bankers Association provided by the CFPB.

“If you were a lobbyist who gave us money, I might talk to you. If you came from back home and sat in my lobby, I talk to you without exception, regardless of the financial contributions,” he continued.

His words depict a portrait of political donors buying potential access to lawmakers that campaign finance watchdogs and their allied lawmakers rarely see in public. Ohio Sen. Sherrod Brown, the top Democrat on the Banking Committee, called for Mulvaney to resign, as have such watchdog groups as Public Citizen, End Citizens United and Every Voice.

More broadly, they are seizing on the dustup to advance both long-shot legislative changes as well as voluntary ones, such as lawmakers refusing donations from political action committees or registered lobbyists.

“I don’t think people should be casting stones or singling out any individual, but we should be asking, ‘What are the reforms we can undertake?’ so that good people who come to serve the country aren’t co-opted by lobbyists and interest groups,” said Rep. Ro Khanna, who is drafting legislation that would provide up to $50 per election cycle in taxpayer money to Americans to contribute to federal campaigns.

“It’s a broken system,” the California Democrat said. “And Mick, I think, is an honorable person who has a world view with which I disagree. I’ve always found him to be a person of integrity, but he’s operating in a system, like many members of Congress, where special interests have just run rampant.”

Khanna declines contributions from all PACs and co-founded a No PAC Caucus in Congress last year.

Maryland Rep. John Sarbanes, who chairs the Democrats' Democracy Reform Task Force, said Mulvaney's comments offered "a prime example of the warped and wicked effect that big money has on our democracy."

Laws and rules

Mulvaney was stressing the importance of grass-roots and constituent advocacy in his remarks, "sharing how those people are more important than lobbyists or even financial contributors," his aide John Czwartacki said in an email.

"People coming from back home, to tell people in Congress what issues are important to them, is one of the fundamental underpinnings of our representative democracy, and you have to continue to do it," Mulvaney told the bankers, according to the speech transcript.

Ethics and lobbying lawyers said Mulvaney's comments urging outsiders to lobby Congress could raise questions about a federal law dating back to 1919 that prohibits administration officials from engaging in certain forms of lobbying activities. The Project on Government Oversight filed a complaint Wednesday with the Government Accountability Office asking it to investigate the issue.

Campaign finance and congressional ethics experts said Mulvaney did not appear to violate any political money laws. But were he still in Congress, the remarks could have triggered the Office of Congressional Ethics and the House Ethics Committee to open an investigation, they said. Neither has authority now because Mulvaney is out of Congress.

The House ethics manual states that lawmakers and staff "should always exercise caution to avoid even the appearance that solicitations of campaign contributions are connected in any way with an action taken or to be taken in their official capacity."

Craig Holman, a government and lobbying ethics expert with liberal-leaning Public Citizen, said it did not appear that Mulvaney had violated any campaign finance laws. But he said the former congressman's words indicate that even as President Donald Trump pledged to "drain the swamp," his administration has not.

"What it is, is highly unethical and a reflection of the swamp of the Trump administration," said Holman, a registered lobbyist.

Others pressing for new campaign finance laws said such measures would be necessary to help restore Americans' faith in government.

"Right now, Americans' faith in government is at a historic low, and they think that Washington serves the wealthy and powerful interests," said Adam Bozzi, communications director with End Citizens United. "They're not wrong."

Bozzi said not all lawmakers may be as "brazen" as Mulvaney, "but the system isn't working" and requires an overhaul of lobbying, ethics and campaign finance laws.

'The swamp is full'

Even lobbyists distanced their industry from Mulvaney's words.

“These comments and behaviors cannot become the norm in Washington,” said lobbyist Paul Miller, who is president of the National Institute for Lobbying and Ethics.

Absent legislative action, which is unlikely in the current GOP-controlled Congress, End Citizens United has tracked more than 100 lawmakers and candidates, such as Khanna, who have pledged to refuse campaign donations from corporate political action committees.

Newly elected Rep. Conor Lamb, a Pennsylvania Democrat, swore off corporate PACs in his special election, while Sen. Kamala Harris of California recently joined a growing roster of potential 2020 Democratic presidential contenders in rejecting PAC money.

“Mick Mulvaney’s comments absolutely prove what most Americans think and what people like me have been saying for years: lobbyists and Wall Street bankers are able to buy influence and access with their campaign contributions,” said Adam Smith of Every Voice, a campaign finance overhaul group.

Though the current Congress is unlikely to move on sweeping political money overhaul legislation, Smith said that makes it even more important for candidates running for office to prioritize the issue.

“The swamp is full,” Smith said. “I’ve got my waders on.”

Bloomberg Businessweek
April 26, 2018

Meet the Saudis Remaking the Kingdom’s Image in Washington

https://www.bloomberg.com/news/articles/2018-04-26/saudi-arabia-reboots-its-washington-lobbying-blitz

For more than two decades, Prince Bandar bin Sultan was Saudi Arabia’s man in Washington, a fighter pilot-turned-ambassador who’s a charismatic entertainer, storyteller, and close friend of the Bush family. After resigning in 2005, Bandar held a series of positions in Riyadh before fading from public life. Now in his late 60s, he’s rarely seen at events. Rumors swirled in Riyadh that he—along with other ex-power brokers—was now on the outside in Crown Prince Mohammed bin Salman’s new Saudi Arabia.

So when the Saudis held a gala in Washington to celebrate Prince Mohammed’s U.S. visit, the surprise of the night was that Bandar not only came but was feted. Before a lineup including Senator Lindsey Graham and former Vice President Dick Cheney, he gave a nostalgic speech about his D.C. days and the relationship between the U.S. and Saudi Arabia—now effectively led by 32-year-old Prince Mohammed. “The crown prince embodies youthful energy, which I lack,” Bandar quipped to laughter.

At a nearby table was the kingdom’s new ambassador, 30-year-old Prince Khalid bin Salman— the younger brother of Prince Mohammed (known as MBS) and, like Prince Bandar, a former fighter pilot.

Khalid is part of a new generation of Saudis who have moved to Washington to revamp the kingdom's reputation and rebuild its relationship with the U.S.

Their job is harder than Bandar's ever was. "It used to be that you would have a conversation with the political leadership in Saudi Arabia, and they would say, 'Oh, we spoke to the secretary of state and the national security adviser, and that should take care of it,' " says Hady Amr, who was a senior diplomat in the Obama administration. Those relationships were strained over the years, first by a shift in public opinion after the attacks of Sept. 11, then by policies that reduced the U.S. role in the region.

"After 9/11, the public space went sour on Saudi Arabia," says Ali Shihabi, an ex-banker who came to Washington in January 2017 to set up a pro-Saudi think tank called the Arabia Foundation. After a close though complicated relationship with the Bush administration, the Saudis felt sidelined, and in some cases targeted, by policies under President Obama. They lobbied against the Iran nuclear deal and a bill, passed by Congress in 2016, that let family members of the victims of Sept. 11 sue Saudi Arabia. Foreign Minister Adel al-Jubeir, himself a former envoy to Washington, camped out in town for weeks in an unsuccessful attempt to change the law.

According to filings with the Department of Justice under the Foreign Agents Registration Act, the kingdom spent at least $7.5 million lobbying against the 9/11 law. They brought American veterans to D.C. to tell members of Congress that the law would put U.S. soldiers in harm's way. The tab included $270,000 spent at the Trump International Hotel for lodging and other expenses. None of it worked. The vote in favor of the bill, and the subsequent lawsuits that have moved forward, served as a wake-up call to Saudi leaders. "It was a slap in the face that all the lobbyists and all the personal relationships" were ineffective, says Shihabi.

It didn't help that after Bandar, the kingdom had three ambassadors in 10 years. The Saudis ended up outsourcing much of their work in D.C. to the U.A.E. ambassador, Yousef al-Otaiba, and his boss, Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed, a close Saudi ally. With the April 2017 appointment of Prince Khalid as ambassador, the Saudis started taking charge of their lobbying efforts again.

Khalid is MBS's full brother and is thought to be among his most trusted relatives. Khalid speaks fluent English and flew missions against Islamic State and over Yemen as part of the Saudi-led war there. "His job above all is to reinvigorate the relationship between the kingdom and the U.S. across the board," says a senior Saudi embassy official.

In his most striking act as ambassador, last fall Khalid announced that the kingdom was ending its decades-long ban on women driving. Tellingly, it was made in the afternoon in Washington, which was the middle of the night in Riyadh. "We are not Westernizing or Easternizing—we are modernizing," Khalid said in English. The news coincided with the appointment of the embassy's first spokeswoman, Fatimah Baeshen. Raised in Mississippi, with a Southern accent and a master's from the University of Chicago, Baeshen came to D.C. in 2017 to work at Shihabi's Arabia Foundation, writing pro-Saudi reports and research.

The Saudis have also found friends in the Trump White House. MBS has become close to Jared Kushner, and he's been embraced by Trump, who went to Saudi Arabia for his first foreign trip in May 2017. For much of Trump's first year, the Saudis were emboldened, particularly last June when they embargoed Qatar and accused it of being too close to Iran. The move caused a rift in the White House, as then-Secretary of State Rex Tillerson scrambled to assure Qatar of America's continued support. Trump has since appeared to recalibrate, hosting Qatar's Emir Tamim bin Hamad Al Thani in the Oval Office and praising the country for its anti-terror stance. The rise of MBS has created image problems of its own. He's the driving force behind the war in Yemenand the arrest of dozens of domestic critics. He also jailed hundreds of Saudi elites in what he called an anticorruption campaign, releasing most after they agreed to financial settlements.

To manage their brand, the Saudis still rely on a contingent of lobbyists in Washington, though they have cut ties with some since MBS began his ascent. The senior embassy official acknowledges that while American lobbyists and consultants still have a role, the new emphasis is to make Saudis the face of any D.C. campaign. "Saudis talking about Saudis is always going to be much more effective than having an American consultant speaking on our behalf."

The Saudis have also, in a way, returned to Bandar. His daughter, Princess Reema, has emerged as a key player in the reputational revamp. She traveled to the U.S. in March. In January she went to Davos, where a clip of her defending Saudi Arabia went viral. "There is a determination to not allow us to create a new narrative," she said. "And my question is, why?"

The Washington Post
April 24, 2018

The Finance 202: Wells Fargo shrinks lobbying team as it faces crisis in Washington
https://www.washingtonpost.com/news/powerpost/paloma/the-finance-202/2018/04/24/the-finance-202-wells-fargo-shrinks-lobbying-team-as-it-faces-crisis-in-washington/5ade92ee30fb043711926838/?utm_term=.99079965690c

The Washington playbook for a company in crisis starts with a simple premise: Friends aren't free. That's why a big business facing a crush of damaging headlines typically beefs up its lobbying team and spreads more political money around.

Wells Fargo is doing the opposite. **On Friday — the same day federal regulators hit it with a $1 billion civil penalty for ignoring years of problems in its auto and home-lending businesses — the bank reported its lowest spending on lobbying in nine years.** It shelled out $670,000 for the first three months of the year (Citigroup, a smaller bank, spent nearly twice that amount in the same period). And its political action committee reported its lowest quarterly collections in three years, dating back to before the eruption of the fake account scandal that started the bank's headaches.

Bank officials say Wells Fargo is in the midst of reorganizing its approach to Washington. That process started a year ago when the company installed David Moskowitz, a 24-year veteran executive, atop the lobbying team. Hardly a splashy Washington name, he most recently had led the consumer lending and corporate regulatory division of Wells Fargo's law department.

Moskowitz's mission has focused in part on shoring up Wells Fargo's in-house team while reevaluating its stable of contract lobbyists. **But the effect so far has been changes largely at the margins**.

That approach continues what several industry sources describe as Wells Fargo's traditionally hands-off attitude toward Washington — a strategy they say underestimates the gravity of the company's ongoing challenges. "They still think they're America's bank, that they need technical help and not high-end political help," one source familiar with the bank's operations says. **"They are not well positioned to protect themselves. And it's only going to get worse for them as a result."**

Most immediately, **Wells Fargo is seeking an extension from the Office of the Comptroller of the Currency for updating its anti-money laundering controls**, the Wall Street Journal's Emily Glazer reported Sunday. Failure to meet that June 30 deadline could earn it another enforcement action. And beyond last week's billion-dollar settlement, the bank is still operating under a February order from the Federal Reserve forbidding it to grow past its size at the end of last year.

Wells Fargo executives will face more heat today at the bank's annual shareholder meeting. In addition to rendering a judgment on the board of directors, shareholders will also vote on a number of proposals billed as accountability measures. Separately, **the revelation Monday that CEO Tim Sloan earned some 291 times the median income of a Wells Fargo worker in 2017 — $17.6 million — drew angry responses from some employees.** And California State Treasurer John Chiang on Monday called for Sloan's removal.

"Wells Fargo has already taken steps aimed at preventing future scandals, including installing new management, revamping its board of directors, reforming its notorious sales goals and clawing back executive pay," CNN Money's Matt Egan writes. "The new board, led by former Fed official Elizabeth Duke, has also attempted to improve its risk management — a major lapse that contributed to the fake account scandal."

Recent moves in the Wells' Fargo's Washington makeover include adding a trio of staffers: Beth Zorc, a former Senate Banking Committee lawyer and acting general counsel at the Department of Housing and Urban Development now heading up the bank's public policy team; Eric Hoplin, formerly the executive director of the Financial Services Roundtable, now the bank's liaison to trade associations and other third-party groups; and Shannon Aimone, the bank's political point person, who most recently ran JPMorgan Chase's PAC. The three aren't registered to lobby.

John Stumpf, Well's Fargo's then-CEO, testifies before the Senate Banking Committee in September 2016 about the bank's fake accounts scandal. (EPA/Michael Reynolds)

"Wells Fargo has a history of engaging policymakers on issues important to the U.S. economy, the financial services industry and our customers," Wells Fargo spokeswoman Jennifer Dunn said in a statement. "At this important time of rebuilding trust, Wells Fargo continues to be committed to keeping policymakers informed and we will adjust our balance of internal and external government relations resources as needed."

Attrition has helped trim the bank's lobbying bill. Internally, Anita Eoloff, the former head of government relations retired last year after 23 years with the company; and Chris Rosello left for a job at HSBC. Externally, the Podesta Group — which the bank paid $550,000 last year alone, its heftiest contract — collapsed late last year. **But in one sign Wells Fargo is nosing toward stepping up its profile, CEO Tim Sloan recently joined the Financial Services Forum, a reconstituted trade group for big bank chiefs that Wells Fargo quit two years ago.**

It hasn't been all bad news out of Washington for the nation's third-largest bank: A lowered tax bill has helped cushion the blow of its ten-figure penalty. "Just in the first quarter, Wells Fargo's effective tax rate fell from about 28 percent to 18 percent, saving it more than $600 million," The Post's Renae Merle wrote Friday. "For the entire year, the tax cut is expected to boost the company's profits by $3.7 billion." Wells Fargo shares are up 2 percent since Friday.

Bloomberg Politics
April 20, 2018

EPA Chief Pruitt Met With Lobbyist Tied to Condo Rental

https://www.bloomberg.com/news/articles/2018-04-20/lobbyist-steps-down-amid-fallout-over-pruitt-condo-controversy

The lobbyist whose wife rented a bedroom in a Capitol Hill condo to EPA Administrator Scott Pruitt says he met with Pruitt last July with the charitable arm of pork processor Smithfield Foods Inc., despite earlier saying he hadn't lobbied the agency on behalf of clients in the past year.

Revelations that J. Steven Hart was present at a meeting with Pruitt in an official capacity at least once in 2017 -- and had a lobbying contact with the Environmental Protection Agency this year -- coincided with Hart's departure on Friday as chairman of the law and lobbying firm Williams & Jensen. Hart had previously said he didn't lobby the EPA this year or last.

Williams & Jensen said in an emailed statement that Hart "informed the firm of his decision to resign" on Friday. "We are grateful to Steve for his 35 years of service and we wish him and his family well in all of their future endeavors," the firm said. Hart's biography page has been removed from the firm's website.

"Considering the last couple of weeks, I think it is easier on my family and the firm to expedite my departure," Hart told colleagues in an email viewed by Bloomberg News.

It's the latest sign that fallout from Pruitt's condo controversy is continuing to spread -- even if it hasn't led so far to serious repercussions for the EPA chief, who was backed by President Donald Trump on Twitter earlier this month.

Fundraising Events

On Thursday, a watchdog group filed a complaint with the Federal Election Commission alleging that a campaign committee for Senator Mike Crapo, an Idaho Republican, improperly used the same condo to host political fundraising events, without paying its owner to use the space. And earlier this month, the District of Columbia cited the condo's co-owner, Vicki Hart, for operating a rental without the required license.

Pruitt has come under fire for renting one of the two bedrooms in the unit, a few blocks from the U.S. Capitol, under unusually favorable terms allowing him to pay $50 per day to lease the space -- but only on the nights he stayed there.

In all, Pruitt paid $6,100 to use the room for roughly six months last year, according to canceled checks with irregular dates, sometimes coming six weeks apart. Pruitt was required to leave his bedroom door unlocked and was barred from using common areas, which continued to be a venue for dinner parties and meetings during his stay.

Smithfield Foods

The controversy drew in Steven Hart, too, bringing attention to his clients with business before the EPA. Hart said he didn't personally lobby the EPA in 2017 or this year, and Pruitt said in a Fox News Channel appearance this month that his landlady's husband had no clients with business before the agency.

The newly filed disclosure appears to contradict that claim; several of Hart's corporate clients also had matters pending before the agency. That includes pork processor Smithfield, a subsidiary of WH Group Ltd., China's largest meat producer. According to a lobbying disclosure filed by Williams & Jensen on Friday, Hart had some lobbying contact with the EPA on behalf of the company during the first quarter of this year. The form doesn't specify the type or extent of the contact -- just that it involved "issues relating to support for EPA Chesapeake Bay programs."

Quarterly Filing

Virginia-based Smithfield was fined $12.6 million for dumping hog waste into Chesapeake Bay in 1997, in what was then the largest water pollution fine ever. The EPA works with federal and state agencies and non-government programs to coordinate restoration of the Chesapeake Bay, a major estuary to the

North Atlantic Ocean, and has set pollution limits to keep too much nitrogen, phosphorus and other materials from running off into the bay.

“An independent review of the firm’s lobbying activity in advance of the quarterly filing deadline concluded that Mr. Hart had lobbying contact with the Environmental Protection Agency in the first quarter of 2018,” Williams & Jensen said in an emailed statement. “The firm has filed the requisite disclosure forms required by law accordingly.”

In an emailed statement, Smithfield said the lobbying wasn’t undertaken “at the direction or on behalf” of the company. Instead, Smithfield said, it was in his personal capacity at the request of Dennis Treacy, a former Smithfield executive and current board member of the Smithfield Foundation -- the company’s nonprofit philanthropic arm, which supports hunger relief efforts.

Chesapeake Bay

Hart said Saturday that he’d never lobbied for Smithfield Foods.

“I assisted a friend who served on the Chesapeake Bay Commission, and this is inaccurately being tied to Smithfield Foods,” Hart said in an emailed statement, referring to Treacy, who’s a member of the commission. “I was not paid for this assistance, and any suggestion that I lobbied for Smithfield Foods is inaccurate."

Emails viewed by Bloomberg News show that Hart made plans to meet with Pruitt at least once in 2017, joining Treacy for an introductory meeting with the administrator.

Treacy -- a former chief sustainability officer at Smithfield -- reached out to the EPA last spring and requested a meeting with Pruitt, citing his new role on the commission, the emails show. Treacy described himself as having recently retired and mentioned “a focused and unique view of environmental protection.”

Tagging Along

The day before the July 11 meeting -- which took place while Pruitt was still renting from Hart’s wife -- the lobbyist emailed Pruitt’s chief of staff to say Treacy had asked him to come along. “He is a good guy and can be trusted,” Hart said in the email. “He is coming in as the business rep on the Chesapeake Bay Foundation -- another of your controversies.”

Hart’s description was off in at least one regard; Treacy is a Virginia citizen representative on the Chesapeake Bay Commission, a legislative commission -- and is not a business rep on the not-for-profit foundation. The Trump administration sought unsuccessfully to slash funding for the EPA’s Chesapeake Bay program office last year.

Representatives of the EPA didn’t provide a comment.

Hart said he began transitioning to honorary chairman of Williams & Jensen after giving up his chief executive officer title two years ago, was planning to retire from the firm in November, and had begun negotiating a severance agreement earlier this year.

Hart told his colleagues he was looking forward to developing an independent legal practice and doing some strategic business counseling for a few clients.

ThinkProgress
April 20, 2018

Power plant developer boosts spending on Trump insider to lobby for controversial project

https://thinkprogress.org/trump-transition-team-member-lobbies-for-power-plant-fd345b821782/

As a bribery scandal was brewing in New York, a top energy lobbyist with ties to the Trump administration received $180,000 in payments in 2017 from a company behind a controversial natural gas-fired power plant in New York. The money was for lobbying federal regulators in Washington.

Mike McKenna, a Republican energy lobbyist who served on President Trump's Department of Energy (DOE) transition team in late 2016, has worked as a lobbyist for Competitive Power Ventures (CPV) since 2013. Last year was his most lucrative year lobbying for the company, according to a new report from the watchdog group Public Accountability Initiative (PAI).

CPV paid McKenna $60,000 more than its previous high in 2015, and the sole focus of its lobbying efforts was the Federal Energy Regulatory Commission (FERC), which is tasked with overseeing the nation's energy projects, including natural gas pipelines. This is compared to other years when McKenna would also lobby members of Congress, the report said.

Scrutiny of the CPV power plant project intensified when Joseph Percoco, a former top aide to New York Gov. Andrew Cuomo (D), was indicted in 2016 for soliciting and accepting bribes in return for taking official state action to benefit CPV.

CPV is nearing completion of the major power plant, the CPV Valley Energy Center, in Orange County, New York. While the power plant falls under state jurisdiction, a pipeline proposed by Millennium Pipeline Co. to feed natural gas to the power plant comes under FERC's authority.

The increased payments to McKenna, president of lobbying firm MWR Strategies, "indicates that CPV is seizing the moment of having a powerful lobbyist who is well-connected to the Trump presidency and a fossil-fuel friendly FERC commission to push its agenda around CPV and other projects," the report said.

"McKenna is a Trump insider who may have helped shape the current makeup of FERC," Derek Seidman, a research analyst at PAI and author of the report, said Friday in a statement. "It's a big problem — especially since we now know that McKenna was lobbying FERC at the same time that FERC overrode New York's rejection of the Millennium Pipeline that the CPV plant needs approved."

The $900 million power plant project has faced significant opposition from nearby towns and environmental groups since it was announced more than a decade ago. Many residents are concerned about the potential health and environmental impacts of the power plant.

In a statement CPV described PAI's report as "the latest political stunt by those who want to ignore the facts and the law."

"CPV has met and exceeded every state and federal standard to operate this plant and build the pipeline needed to supply it with natural gas, winning hard-fought battles against the Cuomo administration in court as a result," Tom Rumsey, senior vice president of external affairs for CPV, said in a statement emailed to ThinkProgress.

McKenna could not be reached for comment on the report.

Millennium Pipeline's proposed Valley Lateral Project, a 7.8-mile natural gas pipeline that will transport natural gas produced in the Marcellus Shale, is inextricably linked to the power plant. The power plant needs the pipeline to feed it the natural gas that will run the power plant.

After the New York State Department of Environmental Conservation denied key permits for the pipeline in August 2017, FERC overturned those denials in September 2017 at a time when McKenna was lobbying the agency, according to federal lobbying filings.

"The timing of FERC's overruling of New York's decision to reject the Millennium Pipeline, along with the vital importance of the pipeline to the CPV Valley plant, raises the question of whether McKenna was pressing FERC to force through the pipeline during his tenure on Trump's transition team and as CPV's lobbyist," the report said.

Even though FERC has strict rules against "ex parte" communications — commissioners and staff members cannot have a non-public meeting or conference calls with individuals about ongoing proceedings or open dockets — lobbyists are permitted to meet with commissioners or staff member to have general discussions about issues that may impact their clients.

Commissioners are generally vigilant about ensuring they do not discuss ongoing proceedings in the meetings they have on a regular basis with stakeholders.

Connection to New York bribery scandal

Last month, a federal jury found Percoco, the former Cuomo aide, guilty of three charges tied to political corruption. The jury "appeared to find fault" with his dealings on behalf of CPV, the New York Times reported.

In 2017, as the indictment of Percoco loomed over Albany, New York, CPV — worried about increased scrutiny of its CPV Valley Energy Center tied to the Percoco investigation — "massively increased" its spending on lobbyists, hiring a firm close to Cuomo, according to the report.

"The Percoco scandal placed major scrutiny on the process that went into approving the Valley Energy Center," Seidman said. "It's pretty clear that CPV felt the heat and, in response, drastically ramped up its efforts to buy influence in Albany to protect its controversial power plant."

PAI manages a database called LittleSis that tracks relationships between politicians, business leaders, and lobbyists.

In the report, PAI noted that CPV Valley LLC — a CPV subsidiary that oversees the power plant project — recently began its own federal lobbying efforts. In the third and fourth quarters of 2017, CPV Valley paid lobbying firm Akin Gump $100,000 to lobby the U.S. House on the issue of "natural gas infrastructure development," the report said.

McKenna's lobbying for CPV in Washington in 2017 occurred at the same time CPV was trying to control fallout from the Percoco scandal, according to the report. McKenna personally lobbied FERC every quarter of 2016 and 2017, except for the fourth quarter of 2016, when he briefly served as the head of Trump's DOE transition.

In addition to CPV, McKenna has lobbied for several energy companies and trade groups over the past 13 years, including Southern Co., Teco Energy, and the National Petrochemical Refiners Association.

McKenna was selected by Trump to head his energy transition in late September 2016, prior to the election. The lobbyist was put in a position to potentially shape — pending a Trump victory — a department with crucial regulatory oversight over the clients he had long served, according to the report.

"Perhaps most importantly, McKenna would have a role in shaping the composition of FERC, which has a major regulatory role over the business of companies like CPV and other McKenna clients," the report said.

McKenna resigned his position on November 18, 2016, due to Trump's new rule that transition team members would have to de-register as lobbyists. He was replaced by climate change denier Thomas Pyle, who heads up the Koch-funded Institute for Energy Research and its advocacy wing, the American Energy Alliance.

The Intercept
April 20, 2018

Trump Fundraiser Offered Russian Gas Company Plan to Get Sanctions Lifted for $26 Million

https://theintercept.com/2018/04/20/elliott-broidy-trump-russia-sanctions/

SHORTLY AFTER PRESIDENT Donald Trump was inaugurated last year, top Republican fundraiser Elliott Broidy offered Russian gas giant Novatek a $26 million lobbying plan aimed at removing the company from a U.S. sanctions list, according to documents obtained by The Intercept.

Broidy is a Trump associate who was deputy finance chair of the Republican National Committee until he resigned last week amid reports that he had agreed to pay $1.6 million to a former Playboy model with whom he had an affair. But in February 2017, when he laid out his lobbying proposal for Novatek, he was acting as a well-connected businessman and longtime Republican donor in a bid to help the Russian company avoid sanctions imposed by the Obama administration. The 2014 sanctions were aimed at punishing Russia for annexing Crimea and supporting pro-Russia separatists in eastern Ukraine.

In February 2017, Broidy sent a draft of the plan by email to attorney Andrei Baev, then a Moscow- and London-based lawyer who represented major Russian energy companies for the firm Chadbourne & Parke LLP. Baev had already been communicating with Novatek about finding a way to lift U.S. sanctions.

Broidy proposed arranging meetings with key White House and congressional leaders and generating op-eds and other articles favorable to the Russian company, along with a full suite of lobbying activities to be undertaken by consultants brought on board. Yet even as he offered those services, Broidy was adamant that his company, Fieldcrest Advisors LLC, would not perform lobbying services but would hire others to do it. He suggested that parties to the deal sign a sweeping non-disclosure agreement that would shield their work from public scrutiny.

The plan is outlined in a series of emails and other documents obtained by The Intercept. Broidy and Baev did not dispute the authenticity of the exchanges but said the deal was never consummated.

In March, Bloomberg News reported that Broidy "offered last year to help a Moscow-based lawyer" — Baev — "get Russian companies removed from a U.S. sanctions list." The news outlet did not identify the Russian firms or provide details of that proposal.

"At the time when I was a partner of Chadbourne & Parke LLP I had very preliminary discussions with Elliott Broidy with regard to possible engagement of him as a strategic consultant with regard to a possible instruction by one of my corporate clients. This instruction has never materialized," Baev told The Intercept in an email. "Nor did I or Chadbourne provide any services to any other individual or entity in connection with any attempt to remove any Russian company or an individual from the US sanctions list."

Broidy told The Intercept through a spokesperson that Baev had approached him about the proposal, but that Broidy had decided not to go through with it for political reasons. "At the time Mr. Baev had approached us he was then a managing partner of a major U.S. law firm and the new Administration had indicated an interest in normalizing relations with Russia and potentially easing sanctions," Broidy told The Intercept in a statement provided by his spokesperson. "Subsequently, the geopolitical landscape changed and I made the decision not to pursue it."

Baev was introduced to Broidy in October 2016, before Trump was elected. At the time, Broidy was serving as a top fundraiser for the Trump campaign; he would later become vice chair of Trump's inaugural committee before transitioning to his most recent position at the RNC.

Broidy began sharing drafts of his lobbying plan with Baev by December. That month, he also sent Baev a Wall Street Journal article headlined "France Poised for Pro-Russia Pivot."

The article describes how François Fillon and Marine Le Pen, the center-right and far-right candidates, respectively, during the 2017 French presidential election, both opposed punitive sanctions levied by French President François Hollande against Russia for its activity in eastern Ukraine. "With U.S. President-elect Donald Trump also promising friendlier relations with Moscow, Western agreement on sanctions against Russia could crumble," the article says. Fillon and Le Pen were eventually defeated by France's current president, Emmanuel Macron.

As the discussions continued, Sen. John McCain, R-Ariz., and others began pushing legislation that would take the decision on whether to lift sanctions out of Trump's hands and put Congress in control, a development that Novatek apparently recognized as a threat given that Broidy's power to affect policy lay in his presumed influence with Trump.

In January 2017, Baev wrote to Broidy asking whether McCain's bill would put their efforts at risk. "The client is asking how our road map would be affected by a new bill sponsored by Senator McCain to codify the existing sanctions and to impose new ones as a matter of federal law which the Administration will not be in a position to lift without consent of the US Congress. What are your thoughts on this?"

Broidy responded: “We need to convince McCain to abandon or water down the bill while we push the admin and other members of Senate to water down and vote no. Not a game changer.”

In a proposal dated February 23, 2017, Broidy told Baev that he had found “many influential experts, lobbyists, and attorneys” who were “willing and able to work immediately on your behalf and on behalf of Novatek.” The document, marked “strictly-confidential, attorney client privilege,” lays out a plan for a two-year influence campaign that Broidy claimed could dilute McCain’s bill and lift sanctions by February 2019.

The plan outlines a 25-step “Roadmap” that includes getting buy-in from congressional Foreign Relations committees, as well as outreach to the White House, the Treasury, and the Commerce, State, and Justice departments.

It also lists “issues for Congress” that would have to be overcome in order to implement the plan, including progress on agreements to resolve the situation in Ukraine. Congress would also “need information as to whether Russia did indeed hack DNC and attempt to influence US Presidential election,” according to the document.

Broidy added: “Congress would require agreement with Russia that Russia will not do so again.”

Broidy proposed a one-time fee of $500,000 to Fieldcrest, followed by monthly payments starting at $300,000 and eventually rising to $500,000. He proposed an additional monthly $300,000 for “attorneys, lobbyists, experts and other consultants that Fieldcrest Advisors will recommend.” The documents include a chart estimating the expenses for the next three years:

Baev told The Intercept that the conversations were preliminary in nature and that he and Broidy spoke of their own volition. “Neither I nor Chadbourne & Parke LLP has ever been instructed by any Russian company or individual to represent them in connection with this matter,” he said in an email. “For ethical reasons, I cannot address whether I was asked to perform any such services, but whether I or the firm was contacted or not, we were never engaged to perform these services and *never* performed them.”

The documents show, however, that Novatek asked Baev to discuss retaining Broidy to help the company get off the sanctions list, and Novatek appears to have specifically referenced Broidy’s proposal in doing so. In February, Baev had received a letter from Denis Solovev, the director of communications for Novatek, marked “confidential.”

“I am authorized by the management of Novatek to contact you and express our interest in your services related to removing Novatek from the US sanctions list,” wrote Solovev. “We would like to discuss with you your proposed road map.”

Throughout the documents and correspondence, Broidy articulates a desire to avoid publicly registering under the Lobbying Disclosure Act or the Foreign Agent Registration Act — laws that require influence peddlers to be transparent about who is funding their lobbying campaigns, and, in the case of FARA, whom they are speaking to. In an effort to avoid such disclosures, Broidy proposed that he and his consulting company, Fieldcrest, would “advise on the creation of an appropriate team” and “provide advice and manage coordination of the team.” “Fieldcrest is not a ‘lobbyist’ or registered ‘foreign agent’ and … at no time would be acting in such capacities," Broidy noted in his outline, which also suggests that each team member be required to sign a confidentiality and non-disparagement form.

One hiccup came when Broidy sought legal advice about the plan. Elliot Berke, an attorney and managing partner at Berke Farah LLP, reviewed Broidy's proposal and flagged the avoidance of lobbying registration as a problem. "Fieldcrest offers a somewhat detailed 'Roadmap,' which in and of itself could be viewed as providing strategic advice to influence US policy," Berke wrote to Broidy in February, suggesting that he may have already run afoul of FARA. "The fee amounts and scope also would not support a claim that Fieldcrest's activities would be limited to nonFARA-registrable administrative activities." Berke also noted that "some of the characterizations" in the plan "could be construed to suggest that Fieldcrest has already engaged in registrable activity."

Berke closed the letter: "Not the conclusion you were hoping for, I know, but happy to discuss more next week."

Broidy consulted Berke Farah to ensure that his plan was legal, and the answer he received was a factor in the decision not to move forward with the agreement, according to his statement to The Intercept. "As with any matter, I took early steps to ensure that any proposed engagement, if one had gone forward, was in compliance with all applicable laws, which is why I consulted with my attorneys. As I've consistently stated though, I did not wish to be a lobbyist or FARA agent and would have declined any engagement requiring such steps."

Berke did not respond to a request for comment from The Intercept.

Broidy has worked to funnel money into the U.S. political system for others, however. Last month, the Associated Press reported that Broidy received millions of dollars from George Nadar, a witness in Special Counsel Robert Mueller's investigation and a close confidant of Abu Dhabi Crown Prince Mohammed bin Zayed. AP reported that Broidy received that money weeks before he made personal donations to congressional campaigns in an effort to shape a bill critical of Qatar, which the United Arab Emirates is currently blockading. The New York Times also reported that Broidy was reimbursed by Nadar after he funded an October conference that was highly critical of Qatar, which was confirmed by documents obtained by The Intercept. The UAE has contracts with a private security company Broidy owns that are worth "hundreds of millions of dollars," according to the Times.

Broidy has blamed Qatar for the hack and disclosure of his emails. His attorney wrote a public letter to the Qatari ambassador to the U.S. blaming the Gulf nation for spreading "false and stolen information about him," and claiming that Broidy had "irrefutable forensic evidence tying Qatar to this unlawful attack." Broidy has since filed a lawsuit seeking damages from the Qatari government.

The Qatari Embassy did not respond to The Intercept's requests for comment. The documents were provided to The Intercept anonymously.

Idaho Statesman
April 19, 2018

Complaint claims Idaho senator didn't report donated time at DC condo

http://www.idahostatesman.com/news/politics-government/state-politics/article209376779.html

When news of EPA Administrator Scott Pruitt's sweetheart condo deal broke, reporters began looking into who else had used the building on Capitol Hill.

That's when Idaho Sen. Mike Crapo's name surfaced.

From May through November 2017, Crapo's campaign committee, Mike Crapo for U.S. Senate, and his leadership PACs, the Freedom Fund and the Idaho Conservative Growth Fund, held a series of monthly fundraising events at 223 C Street, N.E., Washington, D.C.That is the same address where Pruitt lived for several months in 2017, reportedly paying a well-below-market rate of $50 per night.

On Thursday, Campaign for Accountability, a nonpartisan, nonprofit public accountability watchdog group, filed a complaint with the Federal Election Commission against Crapo and Vicki Hart, the lobbyist owner of the condominium.

The complaint alleges Crapo, a Republican, did not have to pay to host events at Hart's townhouse. Neither Crapo, Hart, nor any of Crapo's fundraising committees disclosed this as an in-kind campaign contribution, in apparent violation of the federal campaign finance rules, it claims.

Crapo's office said it is already looking into the issue.

"Last month, the campaign initiated an internal review and then engaged outside counsel to examine the campaign's use of the townhouse and any resulting FEC reporting requirements," spokesman Robert Sumner said. "If necessary, the campaign will file amended reports with the FEC to ensure compliance with campaign finance laws."

Sumner also noted that Crapo, "like other members of Congress, has used the townhouse for campaign-related events, but not for the senator's personal use or for any overnight stays."

Federal regulations require all political committees to disclose any contributions or expenditures that exceed $200.

Campaign for Accountability also drew a connection between the condo access and a recentlypassed bill Crapo introduced in November to roll back some provisions of the 2010 Dodd-Frank banking law. Hart's husband, J. Steven Hart, is chairman of a large lobbying firm and a lobbyist for HSBC, a British bank.

"The lobbyist owners of Scott Pruitt's crash pad allowed Sen. Mike Crapo to host fundraisers at their Capitol Hill condo, seemingly at no cost. Is it just a coincidence that the senator also introduced legislation that benefits the clients of the townhouse's owners?" Daniel E. Stevens, Campaign for Accountability's executive director, said in a news release. "It's not that complicated: lobbyists can't let senators host fundraisers at their businesses for free. If Sen. Crapo or the lobbying power couple of Vicki and J. Steven Hart violated federal law, they should be held accountable."

Times Union
April 24, 2018

JCOPE passes sweeping lobbying regulations

https://www.timesunion.com/news/article/JCOPE-passes-sweeping-lobbying-regulations-12860907.php

The state's lobbying and ethics watchdog panel on Tuesday passed sweeping new regulations governing New York's lobbying industry, with the stated objective to address evolution in the field and bring it greater transparency.

By a unanimous vote at its monthly meeting, the commissioners of the Joint Commission on Public Ethics passed the 92 pages of new rules, which expand on what's traditionally been thought of under New York law as lobbying: meetings between elected officials and lobbyists who ask politicians for government action.

Under the new definitions, the parameters are expanded: a person's presence at a lobbying meeting or on a lobbying phone call with an elected official, for instance, can trigger the requirement to register as a lobbyist with JCOPE – even if that person does not personally ask an elected official to take government action.

The idea behind the rules is to capture as lobbyists a class of political consultants that have wielded influence with elected officials through close relationships, without actually themselves engaging in traditional arm-twisting.

Using one's relationship simply to set up a lobbying meeting or phone call with an elected official would now count as lobbying, as would introducing a client to an elected official. So too would certain types of social media activities meant to influence New York politicians.

A major plank of the rules will create more disclosure around so-called "grassroots lobbying" in which well-funded interest groups seek to sway public and elected official opinions through campaign-style lobbying efforts. Those types of campaigns seeking to influence the Legislature have become increasingly common in state politics.

The rules also include a explicit requirement that lobbyists disclose the names of the lawmakers that they lobby. Currently, lobbyists and their clients often simply list "Senate" "Assembly" or "Executive" as the entity that they have lobbied, which makes it difficult for the public to know who exactly is being influenced.

The new rules have been in formulation by JCOPE staff over the past two years. The regulations take effect in 2019.

A political consulting firm that has drawn media interest for its influence, and where employees have not usually registered to lobby, is New York City-based BerlinRosen, which is also a main campaign-consulting firm for New York City Mayor Bill de Blasio.

De Blasio has been engaged in a long-standing political feud with Gov. Andrew Cuomo, who appoints six of the commissioners on JCOPE and much of whose top staff is Cuomo veterans. JCOPE has also engaged in lengthy investigations of a lobbying nonprofit set up by de Blasio and recently finalized settlements with two of its donors.

The regulations, however, face possible legal peril. David Grandeau, the state's former top lobbying official and now a private compliance lawyer, said he plans to file an Article 78 proceeding seeking to overturn them. Grandeau says the Legislature never passed a law authorizing JCOPE to broadly reinterpret the state's lobbying rules, and that JCOPE only has the power to issue regulations under very specific circumstances under the law.

"It's pretty simple: The law does not authorize them to do it," Grandeau said. "They can write an opinion. But they can't make law."

Grandeau had previously threatened to file a lawsuit if JCOPE did pass the regulations, and at a hearing late last year, JCOPE executive director Seth Agata had said seemed to backtrack from them, stating that the new regulations were merely "advisory" and not creating new possible legal violations.

JCOPE chairman Michael Rozen, however, clarified at a subsequent meeting that the regulations would indeed have the force and effect of law if passed.

At Tuesday's meeting where they were finally approved, JCOPE commissioner Marvin Jacob raised the question of whether the lobbying regulations would face a legal challenge.

Agata responded that no one had made a "well-founded" argument against either the substance of the regulations, or JCOPE's ability to issue them.

JCOPE spokesman Walter McClure said that JCOPE does have the ability to create the rules. That's because New York law says JCOPE has the sole authority to "administer and enforce" the law, McClure said.

In a statement he read at the meeting, Rozen said the regulations were "an important step in the commission's efforts to ensure public transparency regarding who spends money to influence government, and where and how lobbyists and their clients spend that money."