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The Intercept_

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How People Close to Joe Crowley Have Gotten Rich While the Queens Boss Has Risen in Congress

<https://theintercept.com/2018/06/14/joe-crowley-congress-new-york/>

The rise of Congressman Joe Crowley, D-N.Y., has coincided with lucrative lobbying contracts for his younger brother, John Crowley, an attorney who goes by the first name Sean, and previously specialized in wills and estate law.

Sean Crowley serves as a partner at Davidoff Hutcher & Citron LLP, a powerhouse law firm with offices in Albany, New York City, and Washington, D.C., that advertises its ability to connect clients with congressional leadership.

Over the last decade, clients with interests before Congress have retained Sean Crowley through his lobbying firm, paying more than \$4.5 million to influence and monitor government policies, according to a review of contracts by The Intercept.

Clients in recent years have included Oracle, AbbVie, NBCUniversal, Juniper Systems, New York Community Bancorp, Abbott Labs, and Elections Systems & Software.

In many cases, the interests of Sean Crowley's clients have overlapped with his elder brother's legislative and political work.

Earlier this year, Joe Crowley voted in favor of President Donald Trump's effort to repeal a rule established by the Consumer Financial Protection Bureau designed to prevent racial discrimination in the auto loan industry.

The legislation was heavily promoted by the National Automobile Dealers Association, the New York affiliate of which retains Sean Crowley as a lobbyist on regulatory issues, including city rules meant to curb predatory lending practices.

In 2013, Joe Crowley helped award \$10 million in federal assistance to the Hunts Point Terminal Produce Cooperative, a merchants association in the Bronx that retained Sean Crowley as a lobbyist.

In 2009, both Crowley brothers worked to assist the life insurance settlement industry. A few months after President Barack Obama's inauguration, Joe Crowley, newly empowered with his first major leadership post at the Democratic Congressional Campaign Committee and a perch on the powerful

committee dealing with tax legislation, traveled to Orlando, Florida, to address hundreds of financial representatives.

Joe Crowley, speaking to the Life Insurance Settlement Association's annual meeting, reassured executives, and noted that Obama had made no mention of life insurance or life insurance settlements during his recent speech outlining his tax agenda, suggesting the audience might be spared from any future tax hikes.

"I think for your industry, that is a good thing," said Crowley. "It doesn't mean that you're out of the woods, but it's a good thing."

The congressman encouraged the attendees to contact Democratic lawmakers on the Ways and Means Committee and continue to lobby to share their views.

The friendly chat coincided with a lucrative contract for Crowley's younger brother, Sean, who was retained by the Life Insurance Settlement Association earlier that year to influence tax legislation on Capitol Hill. Sean Crowley's lobbying firm, Davidoff Hutcher & Citron, went on to collect \$140,000 on behalf of the life insurance settlement client.

The engagement with the life insurance settlement lobby also provided a lift to Joe Crowley. He was the largest recipient of Life Insurance Settlement Association political action committee donations during the 2010 election cycle.

Despite overlapping interests, officials on behalf of both brothers strongly deny that Sean has ever lobbied his elder brother.

"Sean Crowley has never lobbied the congressman's office as we have a long-standing policy in place that prevents him from doing so," a spokesperson for Joe Crowley emailed *The Intercept*, when asked about Sean's lobbying activities.

Sid Davidoff, founding partner of Davidoff Hutcher & Citron, said in a statement to *The Intercept* that, "Sean Crowley has never lobbied Congressman Joe Crowley, nor will he."

A report last year in the *New York Post* revealed that Joe Crowley has also paid nearly \$70,000 in campaign funds to a company owned by Sean, called Killian Enterprises LLC. Joe Crowley claimed the money was rent for a campaign office, though the space owned by the younger Crowley brother is outside the district.

Before working as a lobbyist, Sean served as an attorney at a firm called Crowley, Crowley & Kaufman, a partnership with Scott Kaufman, the treasurer of Joe Crowley's political action committee.

Joe Crowley has faced years of headlines charging that he engages in nepotism and unethical political patronage. As the boss of the Queens Democratic Party, he has nominated associates to the borough election commission, helped allies win election to the New York City Council, and appointed family friends to the Queens Surrogate's Court.

The court appointments have gained increasing scrutiny after reports that associates of Joe Crowley are routinely selected as court-appointed guardians who have earned millions of dollars processing the estates of residents who pass away without establishing a will. Gerard Sweeney, an official at the Queens Democratic Party and a Crowley lieutenant, has raked in over \$30 million administering estates

through his position as an administration attorney at the Surrogate's Court, which he won through his relationship with Joe Crowley.

Before becoming a lobbyist, Sean Crowley also served as a court-appointed guardian. Kaufman has continued to serve as one, earning around \$550,000 from work assigned through the Surrogate's Court. Notably, Kaufman now faces a state ethics probe for potentially violating court administration rules on compensation.

Sweeney also serves as a partner at Sweeney, Reich & Bolz, a law firm formed with two other members of the Queens Democratic Party leadership. The law firm represents banks and other financial institutions in foreclosure proceedings at the Queens Surrogate's Court — known in the industry as a foreclosure mill — an arrangement that raised conflict of interest concerns. To the extent that political machines have earned legitimacy in the past, it has come through their ability to shower constituents with jobs and services in exchange for remaining in power. That Crowley's machine instead forecloses on constituents upends that relationship.

Leading New York mortgage lenders, according to the Village Voice, have used the Sweeney law firm to process foreclosures for homeowners throughout the Queens area who have fallen behind on mortgage payments following the housing crisis in 2008. Sean, meanwhile, has lobbied on behalf of the New York Creditors Bar Association, a trade group for debt collection attorneys, on state legislative issues.

THE CONVERGENCE OF business and politics in the Queens Democratic machine reflects Joe Crowley's ascent through the ranks of House Democratic leadership.

Joe Crowley has gathered power through high-level connections with well-placed political figures and business leaders. The previous lawmaker to serve in his seat, Rep. Thomas Manton, D-N.Y., another Queens Democratic Party boss, quietly selected Crowley as his successor just before the legal filing deadline in 1998, while deceiving the public and claiming he would run for re-election, a strategy that effectively prevented a competitive election.

In Congress, Joe Crowley has served as a liaison between K Street and the Democratic Party, often mobilizing opposition to bank regulations and other rules opposed by major donors to the party. In 2005, he won a low-ranking position with the DCCC, helping to serve on an outreach council to the business community. But Joe Crowley proved a prodigious fundraiser, helping to raise \$5 million for the party, a capability that catapulted him to serve as vice chair of the DCCC four years later.

In 2009, he was elected as the leader of the New Democrat Coalition, a moderate caucus that used its political weight to weaken financial reform. The coalition famously threatened to defeat the Dodd-Frank financial reform law unless amendments were added to provide less stringent rules on derivatives and pre-emption of stronger state-based bank regulations. As Joe Crowley and other New Democrat leaders marshaled political support for changes to the bill, the lawmakers went on a rapid fundraising spree, collecting checks from Wall Street banks that were seeking to influence the legislation.

The Office of Congressional Ethics opened an investigation into Joe Crowley's financial reform related fundraisers, though the House Ethics Committee, which outranks the OCE and is stacked with fellow lawmakers, later declined to continue the probe.

In the years since passage of financial reform, Joe Crowley has continued to chip away at tough rules on banks while vacuuming up Wall Street donations. In 2011, he co-authored a letter requesting that regulators withdraw and revise the fiduciary rule, a high-profile consumer safeguard designed to ensure that financial planners act only in the interests of their clients. The following year, after meeting with bank executives, Joe Crowley and other New Democrats sent a letter to regulators requesting a delay to the Volcker Rule, one of the signature restrictions on big banks, designed to prevent reckless proprietary trading.

The letters, again, coincided with a steady flow of bank and corporate contributions to Joe Crowley's political action committees, which include a leadership PAC, a joint fundraising committee, and a personal PAC. Following the 2016 election, Joe Crowley was elected as chair of the House Democratic Caucus, making him the fourth ranking member in leadership.

Now, the Trump administration has signaled that it is working to unravel both provisions of financial reform criticized by Joe Crowley's letters and is making headway in relaxing other aspects of the Dodd-Frank law. That Joe Crowley previously targeted the same financial regulations that are now in the crosshairs of Trump contrasts sharply with the image the Queens Democrat has portrayed in his campaign advertising, which depict him as a bold opponent of the president.

Despite a relatively conservative voting record while representing a deeply Democratic district — Crowley not only has been a consistent friend to the banking lobby, but voted for the Iraq War, the Patriot Act, and a controversial bill in 2005 to limit consumer bankruptcy protections — he is currently maneuvering to become the next speaker of the House.

Last month, members of the New Democrat caucus provided strong support for a Republican led bill to increase the bank threshold for systemic risk assessments, raising the size at which regulators provide additional scrutiny from \$50 billion to \$250 billion in bank assets.

Facing pressure from Alexandria Ocasio-Cortez, a progressive challenging Joe Crowley in the Democratic primary on June 26, the Queens Democratic Party chief abandoned his moderate pro-bank colleagues. This time, he bucked his New Democrat colleagues and voted against the bill weakening Dodd-Frank. Crowley, facing a tightening race, has begun to spend heavily on television to stave off a major upset, and has agreed to debate Ocasio-Cortez. (It will air Friday on NY1 in the 7:00 hour.)

On Wednesday, Crowley attempted to commit civil disobedience against the Trump administration's policy of separating children from their immigrant parents at the border, calling it "fascist."

Jonathan McCollum, director of federal government relations at Davidoff Hutcher & Citron LLP, where Sean Crowley serves as a partner, praised the outcome of the Dodd-Frank rollback legislation in an interview with MarketWatch. "A bipartisan coalition in Congress has recognized that Dodd-Frank imposes enormous burden on mid-sized regional banks," said McCollum. In an interview with NBC News, McCollum noted that his firm represents banks that have sought these changes.

Now, in the final two weeks of the Democratic primary, Joe Crowley is touting an impressive list of local and federal endorsements, claiming that his deep bench of political support shows that voters should re-elect him.

Many Democratic lawmakers have endorsed him, as have members of the New York City Council.

“Congressman Crowley has shown that he has the intelligence and determination to deliver for LGBT Americans. I know he will continue to help make historic gains for our community and I am proud to endorse him,” said City Council Member Daniel Dromm. Jimmy Van Bramer, another council member, provided a similar statement of strong support.

But campaign cash is never far from the situation. Records reviewed by The Intercept show that the Crowley for Congress committee and the law firm formed by Joe Crowley’s campaign treasurer, Scott Kaufman, and his brother, Sean, have contributed over \$1 million to local and state New York committees, including the accounts controlled by Dromm (\$5,800) and Van Bramer (\$5,250).

Joe Crowley’s PACs have further provided over \$2.5 million to the DCCC and over \$3 million in direct campaign transfers over the last decade to other Democratic politicians, including nearly every Democratic lawmaker to endorse him in recent days, such as Rep. Grace Meng and Sen. Kirsten Gillibrand.

Rivard Report
June 13, 2018

Council to Consider Changes to Ethics Review Board, Campaign Finance Rules

<https://therivardreport.com/council-to-consider-changes-to-ethics-review-board-campaign-finance-rules/>

City Council next week will vote on significant changes related to local campaign finance rules and the board charged with overseeing ethical conduct within the City of San Antonio.

Such changes include adding “entertainment” to the current list of prohibited gifts to elected officials; giving the Ethics Review Board more control over complaint reports; prohibiting attorneys, property owners, and lobbyists from contributing to campaigns while they are involved in a zoning case; notifying someone accused of an ethics violation when a complaint is filed; requiring Council members and candidates to file more campaign finance reports; and others.

The Ethics Review Board has been working for more than two years on some of the proposed changes, its Chair Adriana Garcia told City Council on Wednesday. Some or all of the changes – many of which are more “housekeeping” than substantive – could be up for a vote as soon as next Thursday, June 21.

Meanwhile, a separate task force established by Mayor Ron Nirenberg in March is reviewing further changes that could require campaign contributors to disclose their job title and employer as well as increase the amount supporters could donate to campaigns – changes initially suggested by Councilman John Courage (D9). The Council’s five-member Governance Committee will hear a presentation on the task force’s recommendations on Wednesday, June 20.

Councilman Clayton Perry (D10) suggested that the changes recommended by the Ethics Review Board be held from a vote until the full Council could be briefed on the task force’s own recommendations.

“Why can’t we have both of these [related] portions come together at a [briefing] session?” Perry asked.

Because the task force is taking on subjects the Ethics Review Board is not, City Auditor Kevin Barthold responded, so they are taking different paths to City Council.

The changes related to the Ethic Review Board should have been implemented years ago, Councilwoman Ana Sandoval (D7) said. "I hate using platitudes ... but isn't perfect the enemy of good?"

Sandoval said Council should move forward with the common-sense changes and further discuss others at a later time if needed. "There's no need to stop progress," she said.

"We're not trying to be perfect," Councilman Greg Brockhouse (D6) responded later in support of Perry's question about timing. "If it takes time, that's okay ... [we want to be] as close to right as possible."

Campaign finance reform should not be rushed, Brockhouse added.

Perry, Brockhouse, and Councilwoman Shirley Gonzales (D5) spoke against increasing the number of campaign finance reports candidates would have to file. The Ethics Review Board recommends increasing the number of times candidates report expenses and contributions per year from seven (semi-annually as well as 30, eight, and three days before an election) to nine (quarterly reports as well as 30 and eight days before an election).

"Who is this making it easy on?" Perry asked Barthold.

"The general public," he replied, and City staff. As Barthold elaborated, Perry cut him off.

"I'm sorry, why do I want to take on something more difficult for your convenience?" Perry asked.

A donor could violate campaign contribution rules in less than six months – for instance, if he/she contributes to the campaign of one or more Council members, and then is awarded a high-profile contract by City Council, Barthold said. Increasing the frequency of reports allows City staff more opportunity to catch infractions before contracts are awarded.

"Catching it in the process ahead of time makes it easier for everyone concerned," Barthold said, adding that currently, contributors would be caught "after the fact."

The three Council members took the general stance of, "If it ain't broke, don't fix it."

Filing these reports is not easy, Perry said, noting that the state statute only requires six reports. "It's very complicated," he said.

Gonzales said the two additional reports could come at a monetary and "opportunity" cost. "It's not the only reporting that I have to do in my life," she said.

Nirenberg has advocated for a more autonomous Ethics Review Board since former Mayor Ivy Taylor received an ethics waiver for her own possible infraction in early 2016.

"The City Council should not be deliberating on these issues," he said, but "it's high time for us to move these things forward ... other recommendations will come in due course."

CBS8
June 13, 2018

Democratic National Committee bans fossil fuel industry contributions

<http://www.cbs8.com/story/38416218/democratic-national-committee-bans-fossil-fuel-industry-contributions>

The coal-fired Plant Scherer, one of the nation's top carbon dioxide emitters, stands in the distance in Juliette, Ga., Saturday, June, 3, 2017.

The Democratic National Committee has banned contributions from political action committees representing the fossil fuel industry.

The DNC's executive committee on Saturday passed the resolution submitted by Christine Pelosi, a DNC member from California and the daughter of House Minority Leader Nancy Pelosi, D-Calif. It requires no further action.

The DNC already rejects corporate PAC contributions that conflict with its party platform. This resolution singles out the fossil fuel corporations, that are "drowning our democracy in a tidal wave of dark oily money.'

"They have deceived the public about the impacts of climate change, fought the growth of clean renewable energy, and corrupted our political system,' the resolution states.

From 2009 to 2016, the DNC banned contributions from all federal lobbyists and PACs, under former president Barack Obama. But former DNC Chair, Rep. Debbie Wasserman Schultz of Florida, lifted the ban ahead of the 2016 election.

Last year, the DNC voted in favor of another Pelosi resolution to reject contributions from corporate PAC money from donors whose goals conflict with the party platform.

The fossil fuel industry doesn't appear on the DNC's list of top industry contributors, according to data compiled by OpenSecrets.org.

RL Miller, co-founder of Climate Hawks Vote, said she helped write the fossil fuels resolution for those in the party who don't see what's wrong with taking money from the industry. "We did feel the need to spell it out,' she said.

The next step, she said, will be to propose a resolution at the DNC's August meeting that would ban large donations from individuals employed by the fossil fuel industry.

"What we want to do is send a message to Democrats that they cannot continue to do business with fossil fuel companies while at the same time caring about climate change,' she said.

CBS12
June 13, 2018

Lobbyists face new requirements at Citizens

<http://cbs12.com/news/local/lobbyists-face-new-requirements-at-citizens>

With Florida Chief Financial Officer Jimmy Patronis pointing to more “transparency,” lobbyists who represent clients at the state-backed Citizens Property Insurance Corp. will have to comply with a new registration process.

Patronis, a state Cabinet member who helps oversee insurance issues, requested more lobbyist disclosure at Citizens. A lobbyist-registration website will be available Aug. 1, with lobbyists expected to comply with the policy starting Sept. 1, Citizens President Barry Gilway said.

“To us, this was not a major change, but I do agree with it completely,” Gilway told reporters Wednesday after discussing the change with Gov. Rick Scott and the Cabinet.

The Citizens Board of Governors will be asked June 20 to formally approve the new rules, which involve the corporation’s internal code of ethics. Also at the June 20 meeting in Maitland, a new insurance-rate proposal will be presented to the board.

Patronis, who is up for election this year, had urged Gilway on May 2 to implement lobbying rules similar to rules for state agencies and organizations such as water management districts.

Patronis on Wednesday supported Gilway for “implementing the newest layer of transparency to our government.”

Gilway said Citizens’ proposal is similar to existing rules for lobbying the executive branch of government but essentially doesn’t change operations for the state-backed insurer.

“I’ve been here almost six-years, we’ve never had, to the best of my knowledge, an issue raised by the OIA (Office of the Internal Auditor), or the OIG (Office of Inspector General), or OIR (the Office of Insurance Regulation) relative to lobbyist registration,” Gilway said.

All lobbyists currently registered with the executive branch will receive a letter advising them of the changes, Gilway said.

The rules would apply to anyone that wants to sway Citizens policy or contracting and who contacts Citizens staff or board members.

The rules will not apply to attorneys, agents, adjusters, or other people representing clients in insurance claims or judicial proceedings.

As of March 31, Citizens handled 440,351 policies.

The insurance industry hires dozens of lobbyists to try to sway the Legislature and executive branch on issues. In recent years, for example, the industry has lobbied to try to make changes related to an industry practice known as "assignment of benefits" --- an issue that has also involved Citizens.

Over the years, industry lobbyists have also been heavily involved in issues such as trying to shift more policies from Citizens to the private property-insurance market.

US News
June 13, 2018

Ex-Kentucky Official Testifies in Lobbyist's Bribery Trial

<https://www.usnews.com/news/best-states/kentucky/articles/2018-06-13/ex-kentucky-official-testifies-in-lobbyists-bribery-trial>

In 2016, Kentucky's No. 2 law enforcement official gave a lobbyist a ride to his car.

Tim Longmeyer had known Jim Sullivan for years, back when Longmeyer was the secretary of the Personnel Cabinet under former Democratic Gov. Steve Beshear. When offered the ride, Longmeyer was the deputy attorney general under Beshear's son, Andy Beshear. Sullivan was a lobbyist looking to land a lucrative contract for some of his clients.

"Let me put something right down there," Sullivan told Longmeyer as he placed \$1,000 in cash in a cup holder. "I'll play the game."

What Sullivan didn't know was that Longmeyer had already been caught accepting bribes by the FBI. He was recording the conversation with a camera hidden in a day planner sitting on the car's dashboard, which captured a clear shot of Sullivan's face for a federal jury to see on Wednesday during the third day of Sullivan's bribery trial. The video was part of Longmeyer's nearly six hours of testimony, in which he

offered his first extended public comments on a scheme that has sent three men to prison and resulted in embarrassment for some Democratic officeholders.

Longmeyer is serving a prison sentence of five years and eight months at a federal facility in Alabama for his role in accepting bribes related to Kentucky's health insurance plan. He returned to Kentucky on Wednesday to testify against Sullivan, who faces four counts of bribery in a separate case.

The \$1,000 payment on that day in 2016 was one of several surreptitious meetings between the two men over seven years. The arrangement began around 2010, when Sullivan's consulting firm represented Cannon Cochran Management Services Inc., a company that was paid about \$1 million a year to administer Kentucky's workers' compensation claims. Longmeyer testified he met with Sullivan, who offered to give him a "Christmas present."

"It was a euphemism for a bribe," Longmeyer said. "He was asking me to make sure CCMSI got the contract."

CCMSI first won the contract in 2005. But in 2010, Longmeyer said Mike Haydon, who was Gov. Beshear's legislative affairs director and later chief of staff, pressured him to award the contract to Underwriters Safety and Claims because the company had "helped him out to raise some funds." Longmeyer said he worked to keep the contract with CCMSI because Sullivan had paid him. Underwriters protested because its bid had been \$200,000 less. Longmeyer said he directed his staff to have CCMSI lower its bid by \$200,000 to keep the contract.

Haydon died in 2012. Steve Beshear's former aide said Wednesday that Beshear was traveling and couldn't be reached.

After that, Sullivan kept paying Longmeyer. He handed him \$2,500 in an envelope under the table at a Mexican restaurant in Frankfort. He met him in the parking lot of a Frisch's restaurant, discreetly dropping an envelope filled with \$4,000 into the drivers' side window. It landed on Longmeyer's lap.

Longmeyer said he donated most of the money to Democratic political campaigns. He got around the campaign contribution limits by giving the money to family and friends and having them make the contributions for him. Some of that money went to Andy Beshear's campaign for attorney general. Beshear has vowed to donate that money to a government watchdog group once campaign finance officials conclude an audit of his 2015 campaign.

A spokesman in Andy Beshear's office said the attorney general has cooperated with the U.S. attorney and that the federal prosecutor has said the attorney general wasn't engaged in wrongdoing or aware of any.

"General Beshear is grateful for and has fully cooperated with the U.S. Attorney, who has stated on numerous occasions that the Attorney General was not engaged in or aware of any wrongdoing," spokesman Terry Sebastian said.

Thomas Hectus, Sullivan's attorney, spent most of his time questioning Longmeyer on his other bribery conviction related to the state's health insurance plan. He asked Longmeyer about his plea agreement with prosecutors, getting him to acknowledge he hoped to get a shorter sentence by testifying against Sullivan. Longmeyer, dressed in an orange prison uniform with shackles around his ankles, told Hectus he had been involved in Democratic politics for most of his adult life.

"I don't suggest that path to anyone else," he said hoarsely.

Roll Call June 12, 2018

Senators: Convicted Lobbyists Need to Disclose Their Record

<https://www.rollcall.com/news/politics/senators-convicted-lobbyists-need-disclose-record>

The mid-2000s might call, wanting their lobbying bill back.

Though it sounds like a measure that could easily have been proposed during the height of the Jack Abramoff lobbying scandal more than a dozen years ago, the Senate Homeland Security and Governmental Affairs panel will consider a bipartisan bill Wednesday that would require lobbyists to disclose certain convictions, including those for bribery.

Lobbyists are split over the measure, but few believe the proposal — sponsored by Louisiana Republican John Kennedy and West Virginia Democrat Joe Manchin III — would curtail any real or perceived corruption on K Street.

"It seems like a wasted exercise," said Paul Miller, who ran the American League of Lobbyists at the height of Abramoff's scandal and is now president of the National Institute for Lobbying and Ethics.

Miller added that he was frustrated that his group has proposed what he called “real reforms,” such as overhauling the criteria for who needs to register under the 1995 lobbying disclosure law, to no avail on Capitol Hill. The Kennedy-Manchin bill, he said, “doesn’t close any loopholes.”

The bill would not seek to explicitly limit the lobbying work of convicts, but it would require federally registered lobbyists to note if they had been convicted in federal or state court of crimes involving bribery, extortion, embezzlement, kickbacks, tax evasion, fraud, a conflict of interest, making a false statement, perjury or money laundering.

It would apply only to lobbyists registering under the 1995 law and not those registering under the Foreign Agents Registration Act, the disclosure regime for foreign lobbying that has existed since 1938.

“We all, as Americans, have a right to petition our government, and professional, paid lobbyists have the right on behalf of a client to lobby the government as well,” Kennedy said during a recent MSNBC interview.

Kennedy and Manchin have said the Abramoff scandal inspired their bill, which has the acronym of JACK. Abramoff has not registered to lobby under the 1995 law since his release from prison in 2010, but retroactively filed as a foreign agent last year. Other high-profile ex-lobbyists, such as Paul Manafort, have recently been indicted as part of the special counsel probe into foreign interference in the 2016 elections.

“If we’ve learned anything from the Russia investigation, we’ve learned that you’ve got to be careful who you meet with,” Kennedy added in the MSNBC appearance. “Now I tell my staff all the time, look, I know we’re all in a rush here, but I want to know who I’m meeting with. ... That’s all this bill says, is if you care to look you’ll be able to find out if somebody who wants to talk to you professionally on behalf of a client has been convicted of bribing a congressman.”

Lobbyists say that such convictions are rare and typically generate plenty of publicity and notoriety, as is the case with Abramoff, making the additional registration step unnecessary. Craig Holman, a lobbyist for the liberal group Public Citizen and a proponent of government transparency, called the effort a “fairly straightforward transparency bill that proposes one additional disclosure” for lobbyists.

“It does not offer a dramatic change in the lobby disclosure laws, and it plays on the popular perception that many lobbyists are corrupt, so it could well get some legs in Congress,” Holman said. “The markup will show if the measure enjoys some broad support.”

The committee on Wednesday also will vote on the nomination of Emory Rounds to head the Office of Government Ethics, an increasingly high-profile job given the numerous ethics matters sparked by President Donald Trump and members of his administration. Rounds' nomination has been uncontroversial. "The committee staff spoke to Mr. Rounds' colleagues in the ethics community at OGE, who spoke exceptionally highly of his experience as an ethics lawyer and his commitment to the mission of the Office of Government Ethics," said GOP Sen. James Lankford of Oklahoma during Rounds' May 23 confirmation hearing. "The committee is confident that Mr. Rounds is qualified to be the director of the Office of Government Ethics."

As for the lobbying measure, even if the committee approves it Wednesday, that's no guarantee it will ever become law.

Another lobbying measure aimed at overhauling the foreign lobbying disclosure system sailed out of the House Judiciary panel in January, only to remain stalled. Similar foreign lobbying bills have also seen little action.

Democratic Rep. Marcy Kaptur of Ohio is preparing a foreign lobbying and campaign finance measure that may be introduced as soon as Wednesday.

Chris DeLacy, who leads the political law practice at Holland & Knight, said the new lobbying bill to disclose convictions seemed "addressed to one person," Jack Abramoff.

"I don't see anything in there that's particularly problematic for most lobbyists," DeLacy said. "If it did weed out a few bad actors, it might not be a terrible thing."

**Newsok
June 9, 2018**

Oklahoma Ethics Commission raises fees to stay in operation

<https://newsok.com/article/5597570/oklahoma-ethics-commission-raises-fees-to-stay-in-operation>

Amid worries about running out of money, the Oklahoma Ethics Commission agreed Friday to charge political candidates, lobbyists, PACs and others more.

The Ethics Commission voted 5-0 to raise its registration fees from \$150 to \$250.

The change goes into effect July 1. Commissioners acted after they learned the watchdog agency actually could run out of money next fiscal year.

Commissioners already voted in May to sue over the lack of funding the agency got from the state Legislature. The lawsuit could be filed as early as next week at the Oklahoma Supreme Court.

The Ethics Commission's chairman, John C. Hawkins, accused legislators in April of retaliating against the agency for imposing stricter ethics rules on their conduct.

The Ethics Commission had requested \$3,354,000 from the general revenue fund to carry out its existing duties in fiscal year 2019.

The Legislature rejected that request, voting to give it nothing from the general revenue fund. Instead, lawmakers are making the watchdog agency use its revolving fund to operate.

The revolving fund is made up of the fees collected from lobbyists, candidates, political parties and political action committees. The agency will get \$710,351 from its revolving fund to start the next fiscal year and will have to rely on new fees as they come in to cover all the payroll and other expenses.

The total expenses next fiscal year are expected to exceed \$1 million. The payroll alone for the small agency is projected to be \$764,104.

The registration fee increase could bring in almost \$190,000 more in income next fiscal year, which starts July 1.

Candidates will have to pay the higher registration fees the next time they run for office and begin fundraising.

ArkansasOnline
June 9, 2018

Arkansas lobbyist's plea flags nonprofit; senator helped guide funds to Teach for America, it says

<http://www.arkansasonline.com/news/2018/jun/09/lobbyist-s-plea-flags-nonprofit-2018060/>

An Arkansas lawmaker who was connected this week to a federal corruption investigation -- that has so far netted convictions of four of his former colleagues -- helped steer money in 2015 to the nonprofit Teach for America organization on behalf of lobbyist Milton "Rusty" Cranford, according to court papers.

Cranford pleaded guilty Thursday to one federal charge of bribing Arkansas lawmakers between 2010 and 2017, including an unnamed "Senator A" who sponsored a pair of General Improvement Fund bills in 2015 -- identified as Senate Bills 62 and 655 in Cranford's plea agreement.

The sponsor of those bills, according to legislative records, is state Sen. Jeremy Hutchinson, RLittle Rock, who at the time did legal work for one of Cranford's clients.

Hutchinson, who has not been charged with a crime, could not be reached for comment Friday. His attorney has denied any wrongdoing by the senator and said Friday that Hutchinson had not received any money through Teach for America's payments to Cranford's lobbying firm.

But the disclosure that the investigation into General Improvement Funds has grown to include Teach for America -- referred to as "Entity H" in court papers -- adds a new layer of politics in the unfolding case.

The Arkansas director of the nonprofit organization at the time, Jared Henderson, is a Democrat now running to unseat Republican Gov. Asa Hutchinson. In 2016, the governor pledged \$3 million to Teach for America from the governor's discretionary fund as a result of the legislation his nephew, Jeremy Hutchinson, sponsored.

On Friday, the governor's office said the state ended up giving Teach for America a reduced amount of \$2 million. The final of three installments was canceled, a spokesman said, after the governor's staff determined that the nonprofit failed to recruit the number of teachers it had promised.

Neither Henderson, Teach for America nor the governor have been accused of wrongdoing in the federal case. Teach for America recruits college graduates from around the U.S. to teach in low-income school districts.

In an interview Friday, Henderson said he and Cranford were introduced by a donor in 2014. Henderson said he hired Cranford, who helped Henderson build connections at the state Capitol, including with Sen. Hutchinson, who later introduced the appropriation benefiting the organization.

After the first one-year lobbying contract with Cranford expired, Henderson said, it was renewed for an additional year and then allowed to run out. During the course of their work, Henderson said he never knew that Sen. Hutchinson had contracts with Cranford, or that the lobbyist was acting unethically.

The FBI contacted Henderson on June 1, 2017, which happened to be his last day working at Teach for America, he said, leading him to originally believe the call was a prank. He said he spoke to investigators for about an hour, and again briefly in August.

"We invested a lot of time and work with Sen. Hutchinson. I really, really believed he was supporting us because he believed in our mission," Henderson said. "The idea that he may have been doing it for some other reason, it's aggravating."

Of the two bills Sen. Hutchinson sponsored in 2015, only Senate Bill 62 passed and became Act 610. It authorized the appropriation of \$3 million in General Improvement Funds to go to Teach for America, though the actual expenditure was not announced until a news conference in January 2016 at which both Henderson and Gov. Hutchinson lauded the initiative. Henderson was not a gubernatorial candidate at the time.

"The announcement of the funding comes at a time when enrollment in the state's teacher education programs -- both traditional and nontraditional -- is in decline," this newspaper reported in 2016. An additional \$3 million at the time came from private donors, including Arkansas Democrat-Gazette Publisher Walter E. Hussman, Jr.

The grants were intended for hiring an additional 200 teachers throughout schools in Little Rock and in the Delta.

The deal to recruit teachers could not be met, Henderson said, when the national organization made the decision after the grants had been awarded to focus less on rural areas. He said Teach for America voluntarily declined the final \$1 million payment after it was able to recruit only a little more than two-thirds of the teachers promised.

According to the criminal information attached to Cranford's guilty plea, Teach for America paid Cranford a total of \$76,000 for lobbying work, starting in November 2014.

In January 2015, Cranford "forwarded the draft of the \$3,000,000 grant for Entity H [Teach for America] to a representative of Entity H," the court record states.

A month later, that representative emailed Cranford to say the organization was looking to secure \$3 million in private matching donations as part of an effort to "assist [Sen. Hutchinson's] ability to influence the Arkansas Governor's office by providing an incentive for the Governor to provide the

entire \$3 million in GIF funds," according to the record. Henderson said he believed he was the representative referred to in the document.

The matching funds were quickly secured by a coalition of Arkansas business people who wanted to see Teach for America begin work in the Little Rock School District, Hussman said in an interview Friday. The state funds were dedicated to hiring teachers in the Delta.

"Not for the fault of Jared Henderson, but Teach for America could never live up to its commitment," Hussman said.

The publisher and businessman said that was likely the result of fewer students wanting to join the program as the economy strengthened. Like the state, the private investors ended up paying out only about two-thirds of what they had pledged, he said.

"There was a drop-off in teachers coming to Arkansas, Mississippi, places like that," Hussman said. Friday was the first time he had heard that Cranford had worked for Teach for America, he said.

In his plea agreement, Cranford admitted to bribing "Senator A" as well as several other nowformer lawmakers, to "provide favorable legislative action" including steering General Improvement Fund money to Preferred Family Healthcare Inc., a charity that both Cranford and Sen. Hutchinson worked for.

The agreement states that Sen. Hutchinson received \$500,000 in cash, checks, wire transfers, retainers and attorneys' fees, as well as World Series tickets in 2013. The agreement doesn't link those payments to Sen. Hutchinson's efforts on behalf of Teach for America.

Tim Dudley, Sen. Hutchinson's attorney, said Friday that the governor had not been made aware of the connections between the nonprofit, Cranford and his nephew when he approved the expenditure.

"Jeremy never talked to the governor, period, about Teach for America," Dudley said.

J.R. Davis, a spokesman for the governor, said that while the deal to direct money to Teach for America was negotiated more than two years ago, the governor recalled that his conversations were almost all with the private investors who were looked upon to raise the matching funds.

Sen. Hutchinson, who represents Senate District 33 that covers part of Pulaski and Saline counties, decided not to seek re-election. His term expires in January.

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Curtailed Recess Puts Summer Fundraising, Lobbying in Flux

<https://www.rollcall.com/news/politics/curtailed-recess-puts-summer-fundraising-lobbying-flux>

The official Senate calendar isn't the only agenda in flux after Majority Leader Mitch McConnell announced he would cancel much of the chamber's cherished summer recess.

The change may also disrupt plans for fundraising events outside Washington — as well as the docket of lobbyists, who typically take their annual respite along with the congressional recess.

Though many lobbyists and Washington political donors say they're skeptical the Senate will remain in session for much of August, K Street has begun to reassess the summer.

Far-flung fundraising events long planned for weekdays in August could end up in peril, while senators may seek new campaign events inside the Beltway, if they're going to be here anyway. The question is: Will donors stick around, too, especially since the House plans to spend its summer break away from Washington?

"If they do put on fundraisers in D.C. in August, the only people attending will be the D.C. cab drivers," quipped Ken Kies, a tax lobbyist and top Republican donor.

"The vacation fundraising activity could take a hit," Kies added, if senators can't get to their scheduled events out of town.

Mike Fraioli, who runs the Democratic fundraising firm Fraioli & Associates, said it was difficult to begin scheduling in-town events, given the uncertainty of the August schedule. But he said, if it becomes clear that a grueling August looms inside the Capitol, senators will find a way to pull together political events after hours.

"Particularly if you're in a race where it's competitive, you'd rather be home campaigning," Fraioli said. "But if you're here, there's money to be raised."

Locked in stone?

Lobbyists said they had not yet received word about canceled events, but numerous K Street sources said they'd been in touch with Senate aides and fundraising professionals about what to do in August.

Senators are wary to cancel their events, especially if their work schedule changes and some recess time gets added back, as has happened in the past.

“I think people think that they may end up amending the cancellation,” said GOP lobbyist Stewart Verdery, who runs the Monument Policy Group. “This has happened before. Is this locked in stone? We don’t know yet.”

The Senate’s extended session into August likely would hurt vulnerable in-cycle Democrats the most, such as North Dakota’s Heidi Heitkamp and West Virginia’s Joe Manchin III. Fundraising consultants for both senators did not respond to requests for comment.

But Republicans also have big plans for destination August fundraisers.

Kansas Sen. Jerry Moran’s eighth annual summer retreat fundraiser at the posh Broadmoor resort in Colorado Springs, Colorado, is slated for Aug. 12-14. An organizer did not respond to request for comment. Ditto for Idaho Sen. Michael D. Crapo, who has an event planned for Aug. 14-15, in Sun Valley in his home state.

McConnell’s plans for a break the week of Aug. 6 for a state work period means Sen. Dan Sullivan’s annual fishing trip back home in Alaska, slated for Aug. 8-10, could be safe. Missouri GOP Sen. Roy Blunt is the special guest, according to an invitation to lobbyists.

‘Low expectations’

As for monitoring the Senate’s official business in August, lobbyists say they’re unsure what to expect. If the chamber focuses mainly on nominations, then K Street can shrug it off and go on their planned vacations.

“I’ve heard more than one lobbyist say, ‘They can stay here, but I’m not staying here,’” said former House GOP aide Kathryn Lehman, a lobbyist with Holland & Knight. “If you have a deposit down and a vacation plan, my guess is you’re probably going on vacation.”

But anyone who works in the Senate would likely still remain plugged in.

“While there are low expectations of major pieces of legislation making it through the Senate during August, it still forces the K Street community to pay attention to what’s going on,” said Ron Bonjean, a

partner in Rokk Solutions and a former Senate aide. "Adjustments are being made to make sure that clients are having their issues monitored."

Stephanie Silverman, CEO of the lobbying firm Venn Strategies, said she was uncertain how much lobbying would actually take place in August but noted that if the chamber takes action on appropriations bills, that "might cause a few people to cancel summer vacations."

Verdery, who is following the immigration debates closely, said he doesn't expect a major deal to come together in August, but if senators were to craft something for September, then crucial behind-the-scenes work may happen this summer.

"It's going to take a lot of work through the rest of the summer," Verdery said.

"We're not telling people to cancel vacations, if they've got them scheduled," he added. "They may be at Rehoboth, or summer camp with their kids, but they can still email and call."