

MULTISTATE

Lobbying | Tracking | Compliance | Consulting

Weekly Lobbying Articles

June 21, 2018

Providence Journal

June 21, 2018

State rep. and his primary opponent joust over campaign spending

<http://www.providencejournal.com/news/20180621/state-rep-and-his-primary-opponent-joust-over-campaign-spending>

A complaint filed by the state coordinator for the R.I. Progressive Democrats suggests that Rep. Kenneth A. Marshall, the senior deputy majority leader and first vice chairman of the House Finance Committee, has utilized campaign funds for personal expenses such as out of state trips and thousands of dollars worth of food, drink and cigars.

PROVIDENCE, R.I. — An elections complaint filed Wednesday with the state Board of Elections seeks an investigation of state Rep. Kenneth A. Marshall's campaign spending since early 2016, when he was fined for misreporting donations.

Nathan Carpenter, state coordinator for the Rhode Island Progressive Democrats of America, hand-delivered the 19-page complaint to the Board of Elections. It contends that Marshall had listed out-of-state trips, including one to the five-star Delray Sands resort in Palm Beach, Florida, in February; and tabs for restaurants, bars and cigar bars as campaign expenses without indicating their connection to his seeking or holding office.

During months that Marshall reported spending thousands of dollars purportedly hosting fundraisers, he listed no resulting contributions, Carpenter said in his complaint.

Marshall, a Democrat, was elected in 2012 to represent parts of Bristol and Warren. He is senior deputy majority leader and first vice chairman of the House Finance Committee.

Carpenter seeks a hearing on Marshall's spending more than \$15,000 on food, drink and cigars since he was elected. Some of those include \$563.84 on May 11, 2016, at Terrazza, in Smithfield; \$895.36 a week later at Roberto's, in Bristol; and \$456.65 on March 5, 2018, at the Public Kitchen and Bar, in Providence.

Marshall recorded his spending on gas and meals for trips to New Hampshire, Vermont, and Quebec, Carpenter's complaint says.

In an emailed statement, Marshall characterized the complaint as "mudslinging" and "bullying tactics" by his Democratic primary challenger, Laughton Ascencao, and his supporters:

“Rather than have a meaningful discussion about the issues that matter most to Bristol and Warren, they chose to rip a page from the extreme left playbook and attack with baseless claims,” Marshall said.

“For the record, my opponent has failed to even file a fully complete notice of organization with the Board of Elections, the very first step one must take to legally run for office in this state. He also circumvented campaign finance laws by failing to file his candidacy before the end of the last filing deadline — even as he was raising money. He has sent out mailings that are in clear violation of state law.

“I have served my hometown and this district for nearly 21 years with honesty and integrity and I will not stand by as my reputation is damaged and my record of service is called into question. I will answer every allegation and I will work to expose the ‘dark money’ now flooding this district and financing my opponent’s campaign.”

Ascencao provided a copy of his completed notice of organization, marked received by the Board of Elections on June 18, the date he announced his run.

“I have sent mailers out since supporting my candidacy but that’s legal and an obvious piece of any successful campaign,” he said via email.

“I’m not in law enforcement so I don’t know if Marshall broke the law,” Ascencao said. “I do know that if he is telling the truth, and spending over \$15,000 on drinks, cigars, and trips to luxury resorts from your campaign fund is all part of the job of being State Representative, then we have an even bigger problem in this state. ... When decisions are made in back rooms and at fundraisers the only people who benefit are lobbyists and those who can afford them.”

**The Washington Post
June 20, 2018**

California’s net neutrality legislation just got watered down in a big way

https://www.washingtonpost.com/news/the-switch/wp/2018/06/20/californias-net-neutrality-legislation-just-got-watered-down-in-a-big-way/?utm_term=.47b1835e129c

Lawmakers in California's State Assembly have weakened a landmark bill aimed at implementing a local version of the Federal Communications Commission's now-defunct net neutrality rules, in a blow to Internet activists who had hoped for stronger measures.

Approved by the California Senate last month, the bill sought to impose strict regulations on how broadband providers, such as AT&T and Comcast, may handle Internet content. Key provisions not only banned ISPs from blocking or slowing down websites, but also prohibited the carriers from exempting specific apps and services from wireless data caps for an extra fee, a practice known as zero-rating.

The bill as initially proposed, SB 822, could have become the toughest such legislation in the country, with additional provisions that banned providers from charging websites extra fees to reach Internet users. But in a vote Wednesday in a key State Assembly committee, lawmakers led by Chairman Miguel Santiago (D-Los Angeles) moved to strip the bill of some of its central components. The deleted provisions include the ban that prohibited ISPs from charging websites new fees to access customers, as

well as the restrictions on zero-rating. Also deleted were a large section of definitions — without which California’s attorney general will have more difficulty prosecuting violations of the legislation, its supporters said.

The committee still sought to advance the bill, but the vote drew criticism from Internet activists who accused Santiago of being swayed by broadband industry lobbyists.

"The level of corruption we just witnessed literally makes me sick to my stomach," said Evan Greer, a spokeswoman for Fight for the Future, an Internet advocacy group. "The actions of this committee today are an attack not just on net neutrality, but on our democracy."

Campaign finance disclosures show that Santiago has received \$22,600 in contributions from AT&T since 2014, and \$4,500 from Comcast.

In spite of the changes weakening the bill, Santiago said Wednesday that he stands by the FCC’s 2015 net neutrality rules, and that the legislation as amended reflects the Obama-era regulations.

"Trump’s rollback of these regulations are a concern to me, as they should be to every American," Santiago said in a statement. He also responded to his critics’ lobbying and campaign finance concerns as "irresponsible at best, and insulting beyond that."

AT&T and Comcast didn’t immediately respond to a request for comment.

Internet providers have argued against tougher net neutrality rules on the grounds that the regulations could discourage investments in network upgrades and prevent ISPs from developing new business models. AT&T has previously urged Congress to write a national net neutrality law that would apply equally to broadband providers and Internet companies alike. Many of its representatives in Washington have called for something similar.

Sen. Scott Wiener (D), who introduced SB 822 in the California Senate earlier this year, said the amendments this week have effectively "eviscerated" his bill. Wiener downplayed the significance of the Internet providers’ campaign contributions, saying the committee vote was the result of a simple disagreement among colleagues.

"We had a strenuous disagreement here, but to me, it’s not about campaign contributions," he said in an interview. "I will say, in general, AT&T and Comcast, they spent a lot of money in California targeting members with Twitter and Facebook ads, doing robo-calls to seniors telling them their bills are going to go up, that this bill is going to make your monthly payment go up. They flooded the capitol with lobbyists."

Despite the Assembly’s changes to the bill, California could still wind up passing net neutrality legislation in some form in the coming months. The bill now heads to an Assembly committee dealing with privacy issues; further changes to the legislation could come at any point between now and the end of the legislative session in August.

Should a net neutrality bill be finalized, analysts say, it could invite a court challenge from Internet providers and possibly the FCC, whose current approach to net neutrality tries to ban states from circumventing its policies.

At that point, a lawsuit concerning the scope of the FCC's preemption powers would join the numerous other cases pending on net neutrality. More than 20 states have sued the FCC to overturn the agency's repeal of the national net neutrality rules. Meanwhile, opponents of the rules are waiting to hear whether the Supreme Court could take up a case challenging the regulations as they were approved in 2015.

Statesman
June 21, 2018

Former Round Rock state Rep. Larry Gonzales takes lobbyist job

<https://www.statesman.com/news/local/former-round-rock-state-rep-larry-gonzales-takes-lobbyist-job/qjYBtPxp7JgCaPtwS0roj/>

While Larry Gonzales has resigned from his Texas House seat, his new position will likely often lead him back to the state Capitol.

Lobbying and political advocacy firm Husch Blackwell Strategies announced this week that Gonzales is joining its Texas team as a senior consultant, where he'll work on behalf of clients to help steer state legislation. In a news release, the firm noted Gonzales' experience as both an elected state representative and his earlier role on staff at the lieutenant governor and attorney general's offices.

"Larry brings to our team a deep understanding of the public policy issues our clients care about and his strategic counsel will be a tremendous asset to our firm," Andy Blunt, chairman of the board and chief operating officer for Husch Blackwell Strategies, said in the release.

Among Husch Blackwell Strategies' clients are Dell Technologies, Audubon, General Motors and MillerCoors, its website states. Past endeavors have been advocating on behalf of individuals persecuted by their own governments abroad, legislative intervention for national mortgage and financial market institution, and developing legislative support for online gaming issues.

Gonzales, a Republican who had represented the District 52 House seat since 2010, announced in September he would not seek a fifth term in the House. While he said nothing particularly led him not to run, he is focused on spending more time with his wife and children.

Three Republicans — Cynthia Flores, Jeremy Story and Chris Ward — vied for seat in the March primary. Flores, a case manager at the Round Rock Area Serving Center, won that race and will face Democrat James Talarico in November.

With Gonzales' resignation, the state House will hold a special election to fill the remainder of his term through November. That election could occur Nov. 6, the same day of the general election.

Gonzales is president and owner of Lazarus Graphics, a communications and public relations firm. He earned a master of arts degree from the Texas State University School of Public Administration and has a bachelor's degree from the University of Texas.

myAJC
June 14, 2018

Cagle bought condo from lobbyist

<https://www.myajc.com/news/state--regional-govt--politics/cagle-bought-condo-from-lobbyist/quswkgo1KLTQ4KuMbAuclN/>

Lt. Gov. Casey Cagle bought a condo in downtown Atlanta a decade ago from a well-connected energy lobbyist who owned the unit next door.

The \$97,000 condo purchase, first reported by The New York Times, involved a 2008 sale of a unit at the Landmark high-rise, which is known for “hospitality rooms” stocked by lobbyists for lawmakers. It was sold by Terry Hobbs, a veteran lobbyist who represented the natural gas firm Scana Energy.

The condo was appraised at the time for \$127,800, roughly 24 percent higher than the sale value. In an interview, Hobbs pointed to other units in the building that were sold at comparable or lower prices during the volatile economic downturn of the late 2000s.

“I thought I got a very good deal on it,” he said in an interview. “I was tickled to death to be able to turn it over.”

Cagle told the Times that it was a “legitimate transaction” between a willing buyer and a willing seller. And he said that Hobbs had not lobbied him on any issue near the time of the sale. He sold it last year, as he was preparing a run for governor, for \$125,000.

Cagle faces a July 24 runoff against Secretary of State Brian Kemp, and his campaign is grappling with the fallout of two revelations involving private discussions over contentious education legislation.

He was secretly recorded by a former rival saying he supported “bad public policy” by pushing a private school tax credit expansion to try to undercut another opponent.

A secretly made audio recording reveals that Lt. Gov. Casey Cagle backed a controversial education bill that he admitted was poor.

And a GOP state senator said Cagle insisted on passing a measure to increase charter school funding to secure \$2 million from an outside group. Cagle has denied any wrongdoing, and he characterized the conversations as a “political exchange.”

Cagle's campaign said he bought the apartment for his three sons, who were students at Georgia State University. He said he posted a notice in the building's lobby and soon received a call from Hobbs to broker a sale. They closed the deal without a real estate agent.

"There was no bickering, there was no dealing," said Hobbs, who said several real estate agents had earlier told him his asking price was too high. "I thought I got a better deal out of it than Casey. I thought he was going to be mad at me when he realized prices were going down."

Hobbs said he lived next door to the Cagle sons for several years, but never saw Cagle in the building and rarely saw his children. He said he got no special favors from the lieutenant governor, who presides over the state Senate, for brokering the deal.

"It had no impact on my legislation," he said. "I've been down at the Capitol since the early 2000s and I've never had my credibility or integrity questioned."

Hobbs is a veteran lobbyist well known by both statehouse politicians and members of the utility regulating Public Service Commission. He frequently took lawmakers to sporting events back when giving legislators tickets was legal.

Over the past decade, Hobbs has reported spending more than \$150,000 on lawmakers and state officials, making him one of the highest-spending lobbyists in the state. He also regularly shared in the cost of "hospitality suites" at the Landmark, where many lawmakers owned or rented condos.

A 2013 Atlanta Journal-Constitution article showed about 40 percent of all lobbyist spending on members of the PSC over a four-year period came from Hobbs. He paid for lodging, hunting trips and more than 100 meals for three PSC members over that period, often picking up the tab for their wives as well.