

# MULTISTATE

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## Weekly Lobbying Articles

July 27, 2017

The Baltimore Sun

July 25, 2017

### **Petroleum industry leads Maryland lobbying spenders – but lost**

<http://www.baltimoresun.com/news/maryland/politics/bs-md-petroleum-lobbying-20170725-story.html>

The American Petroleum Institute paid almost three times as much as the next-biggest spender on lobbying during this year's General Assembly session — but was defeated on its most prominent issue.

Figures recently released by the State Ethics Commission show that the Washington-based API spent more than \$1.4 million to influence Maryland lawmakers. The trade association lost its fight to permit fracking in Maryland when Republican Gov. Larry Hogan and the Democratic majority in the General Assembly came together around one of the nation's strictest bans on the method of extracting natural gas.

The API lost despite hiring some of the most accomplished and highest-earning lobbyists in Annapolis, including Lisa Harris Jones, Sean R. Malone and other members of the Harris Jones & Malone firm. The next-highest spender on lobbying during the period of Nov. 1 to April 30 was the Maryland Hospital Association at almost \$500,000.

The Maryland State Education Association, which represents the state's teachers, came in third at almost \$475,000.

Exelon Corp. and Baltimore Gas and Electric Co. came in at No. 4 and No. 5. Exelon owns BGE and Pepco. If the energy firms' lobbying totals are aggregated, the total would come to about \$875,000, in second place but well behind API.

Drew Cobbs, executive director of the API-affiliated Maryland Petroleum Council, said most of the

organization's spending had been on the fracking issue.

"We just thought it was important to make sure that option was open in Maryland to explore for natural gas," Cobbs said. "Obviously, it was the big issue. It was coming to a head."

Cobbs noted that the organization had helped hold off a ban for several years. But with a moratorium on fracking about to expire, opponents of the method gained momentum.

The measure easily passed the House of Delegates but was hung up in the Senate until Hogan surprised advocates by throwing his support behind a measure that was opposed by most Republican lawmakers.

The rankings of top Annapolis lobbyists was similar to that of previous years — with the top two spots held by colorful figures with felony convictions on their records.

Gerard E. Evans and Bruce E. Bereano were No. 1 and No. 2, at \$1.8 million and \$1.7 million, respectively. Timothy Perry, a less flamboyant figure who was chief of staff to state Senate President Thomas V. Mike Miller before making the transition to lobbyist, was once again third. He earned almost \$1.3 million.

African-American lobbyists vaulted into the No. 4 and No. 5 positions. Jones, Annapolis' highest-earning female lobbyist, came in fourth with more than \$981,000. Frank Boston III was fifth with \$951,500.

Not surprisingly, the top-earning lobbyists were also among those most generous with campaign donations to Maryland politicians.

Evans led the pack with more than \$48,000 in gifts, while Bereano donated almost \$40,000.

**Al Jazeera**  
**July 25, 2017**

**Saudi lobby pays \$138,000 for anti-Qatar ads in the US**

<http://www.aljazeera.com/news/2017/07/saudi-lobby-pays-138000-anti-qatar-ads-170725041529752.html>

Washington, DC - A Saudi lobby in the United States has launched a television advertisement campaign against Qatar, contracts reviewed by Al Jazeera show, with \$138,000 spent on seven, 30-second TV spots.

The TV spots have been purchased by the Saudi American Public Relation Affairs Committee (SAPRAC).

The advertisements, which began airing on NBC-4 in Washington, DC on July 23, say Qatar is supporting "terrorism" and destabilising US allies in the region, allegations that the Saudi-led group of countries has maintained since cutting ties with Qatar on June 5.

Doha rejects the allegations as "baseless".

Four of the ads will run during Meet the Press, a weekly news-interview programme that sees host Chuck Todd interview high-level politicians on Sunday mornings.

The programme leads the Sunday show news market and has seen gains in viewership over the past year, according to reports.

For the four spots, totalling 120 seconds, SAPRAC paid \$120,000, or \$1,000 per second.

The three other ads were aired during the British Open golf tournament on July 23 and cost \$6,000 each.

Kip Cassino, executive vice president of research of a market research firm Borrell Associates, said SAPRAC probably does not want to influence the public, but decision-makers, given the few spots purchased for the ad.

"Having a few ads is not much repetition. There's not much to gain from it," Cassino told Al Jazeera, adding that current research suggests that repetition is key to influencing an audience.

Richard Lau, a professor of political science at Rutgers University who specialises in media effects in political campaigns and political persuasion, agreed.

The few airings, time slots and the fact that the advertisement is only airing in DC means there is a select audience: politicians.

The ad "would only be in the service of influencing government policy towards the countries. It's not like a campaign where people are going to go out and vote for Saudi Arabia or Qatar", Lau said.

US Secretary of State Rex Tillerson visited the Gulf earlier this month and called for direct talks between Qatar and the Saudi-led group, which includes Bahrain, Egypt and the United Arab Emirates.

Lau doubted the effectiveness of the TV spot, saying that experts and politicians in Washington, DC, are some of the most informed individuals regarding foreign policy, and many have already made up their minds on the issue of who funds "extremist" organisations in the Middle East.

"What strikes me as interesting is that Saudi Arabia is starting a new strategy for influencing opinion in America," he said.

### **The Saudi strategy**

The strategy is headed by the new pro-Saudi lobby organisation in Washington, DC.

SAPRAC was founded in March 2016, according to filings from the US' lobbying disclosure database.

Salman al-Ansari, a Saudi writer, lobbyist and political commentator who has become a fixture on US national news networks, is SAPRAC's founder and president.

Al-Ansari stirred controversy last October when he wrote in favour of strong ties between Israel and Saudi Arabia.

He said Mohammed bin Salman, the crown prince of Saudi Arabia, who replaced the previous Crown Prince Mohammed bin Nayef, is "prepared and willing to develop real, enduring ties with Israel".

SAPRAC paid for the ads, and the screen time was purchased by the ad firm Canal Partners Media.

The ad firm, which is typically employed by Democratic candidates and received more than \$9m in payments for the 2016 election cycle, made a commission of more than \$20,000 on the SAPRAC deal.

Canal Partners Media did not respond to Al Jazeera's request for comment on its relationship with SAPRAC.

For Riza Marashi, Research Director at the DC-based National Iranian American Council, SAPRAC is one of the most obvious instances of warmer Israeli-Saudi relations.

Israel has a long history of influencing US politics through its lobbying group, the American Israel Public Affairs Committee (AIPAC).

Marashi said he has noticed "a willingness" from pro-Israel lobbyists and groups to teach SAPRAC how to lobby, "particularly since King Salman and Mohammed bin Salman came into the most powerful positions".

An Al Jazeera investigation in June also showed a joint lobbying effort between Israel, Saudi Arabia and the United Arab Emirates.

Marashi noted that Saudi Arabia had a powerful lobbying apparatus in Washington for years, but it was mostly done through the embassy through a behind-the-scenes strategy.

The lobbying disclosure database shows that SAPRAC has kept a low profile since March 2016. Of the organisation's six quarterly reports, only one shows any actual lobbying: a 2016 meeting with Joseph Westphal, the former US ambassador to Saudi Arabia.

Now, there is a "thrust to create a greater presence in DC", and these TV ads are another example, Marashi said.

**'Extremely dangerous'**

If its efforts are successful, Saudi Arabia will wield even greater influence in Washington, and "this is extremely dangerous", Marashi said.

"The Trump administration has given the Saudis, Emiratis and Israelis a blank cheque to do whatever they want in the region. You saw this after the president visited Saudi Arabia, who then began the Qatar blockade."

Marashi listed human rights concerns in Yemen, where Saudi and UAE forces are accused of inflicting widespread civilian casualties and continuing a blockade of vital ports, leaving people with limited access to food and medicine amid one of the worst cholera outbreaks in years.

Israel, for its part, is increasing pressure on Iran with the help of Saudi Arabia and the US. US President Donald Trump has repeatedly criticised Iran and imposed new sanctions on the country despite its adherence to a landmark nuclear deal.

Marashi said that this belligerence is not in the US' interests.

"If you're Kuwait or Oman, and you see the US ally Qatar being blockaded without response from Washington, does that inspire confidence? If you're Iran, you say 'thank God we have our missiles, what would stop them from doing this to us?'"

**The New York Times**  
**July 24, 2017**

**De Blasio Ally Didn't Register as Lobbyist Despite Big Push for a Donor**

<https://www.nytimes.com/2017/07/24/nyregion/bill-de-blasio-donor-harendra-singh.html>

The Water's Edge restaurant in Queens. Closed now, it was operated by Harendra Singh, who turned to Mr. Kwatra for help in trying to renew his lease on the city-owned property. Credit Bryan Anselm for The New York Times

Frustrated by the pace of negotiations with a city agency over millions of dollars that were in dispute, a restaurateur decided to bring in a hired gun: Neal Kwatra, a political consultant and lobbyist with ties to Mayor Bill de Blasio.

Mr. Kwatra ended up working so closely with top City Hall officials on behalf of the restaurant owner, Harendra Singh, that a city commissioner complained that officials were giving Mr. Kwatra confidential information during delicate negotiations to settle a lawsuit with Mr. Singh.

When one meeting with city officials resulted in an unsatisfactory offer, Mr. Kwatra angrily responded, “I guess you didn’t get the memo from City Hall,” according to the city official in charge of the talks, Ricardo Morales, a former deputy commissioner of the Department of Citywide Administrative Services, known as DCAS.

Yet none of Mr. Kwatra’s efforts on behalf of Mr. Singh, in 2015, were registered as lobbying work, even though Mr. Kwatra and his company, Metropolitan Public Strategies, have registered as lobbyists for other clients, including United for Affordable NYC, a short-lived nonprofit group created by Mr. de Blasio to support his housing policies.

A search of the public record websites of the state’s Joint Commission on Public Ethics and the New York City Clerk’s Lobbying Bureau found no record that Mr. Kwatra or his company had registered as a lobbyist for Mr. Singh or his restaurant, Water’s Edge, in Queens, or any of Mr. Singh’s companies.

Mr. de Blasio pushed city officials to help Mr. Singh, a mayoral campaign donor, and the case became a focus of a federal investigation into what prosecutors viewed as a pattern of mayoral favors to campaign donors.

On Monday, Mr. de Blasio, appearing on “Road to City Hall” on NY1, dismissed the notion that Mr. Singh received special treatment because he was a campaign donor.

“It’s been looked at, and there’s just nothing there,” Mr. de Blasio said.

“I think it’s very clear how we run our government,” he said. “It’s an open and transparent government, where we help people bring forward legitimate issues and try to see them through to conclusion.”

Mr. Kwatra, whose mother, Pam Kwatra, is a donor and fund-raiser for the mayor, played a key role in Mr. Singh’s case, but his involvement was not revealed publicly until The New York Times reported it on Monday.

Austin Shafran, a senior vice president of Metropolitan Public Strategies, said on Monday that Mr. Kwatra's efforts on behalf of Mr. Singh did not meet the definition of lobbying under state and city law.

"Our firm consulted experienced legal counsel, and was advised that we were not required to register as a lobbyist in this case because our work involved the renegotiation of an existing lease that was the subject of litigation, which is explicitly excluded from the lobbying law," Mr. Shafran said by email. He would not identify the lawyer who advised his company, and said that Mr. Kwatra was unavailable to speak with a reporter.

Neal Kwatra, a political consultant and lobbyist with ties to Mayor Bill de Blasio, was hired by a donor to the mayor. Credit Fred R. Conrad/The New York Times

Mr. Shafran's description of Mr. Kwatra's activities was disputed by Mr. Morales, who was in charge of the talks with Mr. Singh. Mr. Morales, who was fired in February and has filed a notice of claim against the city in which he says he was fired for standing up to City Hall, said they did not involve a renegotiation of the lease.

A group of city documents and emails reviewed by The Times that describe the talks do not mention renegotiation of the lease. They focus instead on unpaid rent, money that the city said was owed by Mr. Singh to rebuild a pier near the restaurant, and lawsuits deriving from those disputes.

Despite all the problems, Mr. Singh was eager to start negotiations on a new lease for the restaurant that would take effect when his existing lease was to expire in May 2017. And documents indicate that Mr. Kwatra was involved in pressing the case for a new lease with city officials.

Officials at the administrative services agency had told Mr. Singh they could not discuss a new lease while he owed back rent and millions of dollars for the pier reconstruction. They made clear that even though Mr. Singh was already operating the restaurant, a new lease would require public hearings under city land use laws and would need to be offered for competitive bidding. Efforts to influence procurement decisions, including decisions regarding new leases on city properties, are frequently considered to meet the definition of lobbying.

That did not stop Mr. Kwatra and Mr. Singh from continuing to push the issue of a new lease. Their efforts included discussions with Mr. de Blasio's top political aide, Emma Wolfe, the director of intergovernmental affairs, who began participating in the negotiations in mid-2015.

A new long-term lease would have been very valuable, in part because the city's Economic Development Corporation was considering ways to use other city-owned parcels near the restaurant for a development project that could have included housing, office and retail space — potentially increasing the value and earning power of Water's Edge.

Mr. Kwatra and Ms. Wolfe's office worked so closely that Stacey Cumberbatch, the administrative services commissioner, accused a City Hall official of disclosing confidential information during talks to settle the lawsuits and discussions about Mr. Singh's interest in negotiating a new lease.

The emails show that city officials had discussed the possibility of moving talks for a new lease out of the administrative services agency to the Economic Development Corporation, known as EDC. That could have benefited Mr. Singh by freeing him from negotiating with staff members at the administrative services agency, which had shown itself to be a tough negotiating partner. In addition, Mr. de Blasio had recently appointed Ms. Kwatra to the corporation's board.

The emails show that this possibility was being discussed internally among city officials (who ultimately rejected it) and was not intended to be shared with Mr. Singh and his representatives. But Gabriel Schnake-Mahl, an aide to Ms. Wolfe who was working closely with Mr. Kwatra, did just that.

"I am speaking with Kwatra today at 5:30 p.m. for an update on their end," Mr. Schnake-Mahl wrote in an email to Ms. Cumberbatch and Ms. Wolfe on Sept. 3, 2015. "Anything I can share re: why needs to stay in DCAS for future lease? I floated EDC idea to them in past conversations."

Ms. Cumberbatch wrote back almost immediately: "It's a DCAS function. Thought EDC idea was confidential bet. us until all worked out with Maria?" she wrote, referring to Maria Torres-Springer, the president of the development corporation.

Mr. Schnake-Mahl replied: "Apologies if I got out in front."

Mr. Singh was arrested days later in an unrelated political corruption case on Long Island.

**Miami Herald**  
**July 24, 2017**

**As chaos envelops Venezuela, Caracas spends millions on lobbyists in Washington**

<http://miamiherald.typepad.com/nakedpolitics/2017/07/as-chaos-envelops-venezuela-caracas-spends-millions-on-lobbyists-in-washington.html>

Venezuela's currency is essentially worthless. Its people are starving. Rampant inflation has rendered the bolívar less useful than toilet paper.

And since Donald Trump's election, the Venezuelan government has spent at least \$1.3 million on Washington lobbyists through its subsidiary Citgo, a Houston-based oil company.

Three Washington-based firms currently represent Venezuela in Washington, pushing Capitol Hill, the White House and Cabinet agencies on issues like "fuel refining" and the "potential impact of U.S. energy policies on CITGO's operation impacting U.S. consumers," according to Senate lobbying records.

Caracas sees its investment in lobbyists as a way to fight possible sweeping sanctions targeting Venezuelan oil. Pushed by lawmakers like Florida Sen. Marco Rubio, the White House said last week "all options are on the table" and promised "strong and swift economic actions" ahead of a vote on July 30 that could alter the country's constitution in favor of President Nicolás Maduro.

"The costs for representation is a drop in the bucket when compared to the potential economic loss" of oil sanctions, said C.J. Gimenez, the son of Miami-Dade mayor Carlos Gimenez and a lobbyist who left Avenue Strategies, a firm started by Donald Trump's former campaign aides, after the firm decided to pick up Citgo as a client.

U.S. sanctions on Venezuela's oil market could have major financial implications for the Maduro regime and for average Venezuelans. Although Venezuelan crude makes up a small fraction — about eight percent in 2016 — of all U.S. oil imports, the U.S. buys nearly half of Venezuela's oil, and oil revenues

account for 95 percent of Venezuela's export earnings, according to OPEC.

Gimenez said Venezuela's greatest asset is its oil and that Maduro "uses it to fund his continued existence."

In order to shore up the Maduro regime's future in the face of intense pressure, Caracas is using Washington-based lobbying shops, Avenue Strategies, Cornerstone Government Affairs and VantageKnight. All are well connected in the nation's capital, spending millions on behalf of corporate titans like Google and Citigroup and staffed with former congressional aides who know Capitol Hill.

VantageKnight, a firm started by Democratic strategist and lawyer Manuel Ortiz, spent \$540,000 on behalf of Citgo to lobby on the "potential impact of U.S. energy & foreign policy restrictions on CITGO Petroleum Corporation's operations and valuation of assets" and "sanctions related issues" in 2017.

Neither Citgo nor Ortiz responded to requests for comment. An operator at a Houston office for Venezuela's state-owned oil company, PDVSA, which owns Citgo, hung up when contacted by a reporter.

Citgo is feeling the heat in Washington, where lawmakers have questioned PDVSA's pledge of 49.9 percent of its shares in Citgo as collateral for a \$1.5 billion loan from the Russian government-owned oil giant Rosneft. That could leave Moscow with indirect control over Citgo's U.S. energy assets, including three oil refineries, nine pipelines and dozens of petroleum platforms.

A bipartisan group of senators that include Rubio and Sen. Bob Menendez, D-N.J., wrote a letter in April to Treasury Secretary Steven Mnuchin expressing serious national security concerns over the potential that "critical energy infrastructure" controlled by Citgo could wind up in Russian hands and put Vladimir Putin and his associates in position to influence American gas prices and oil refinery production.

"I think we can all agree that the last thing we need to do is open the doors of our critical infrastructure to Russian interference," Menendez said last week.

While lobbying for Citgo continues in Washington, lobbying on behalf of PDVSA has stopped. The two firms that did work on behalf of PDVSA in 2016 stopped representing the company in 2017. One of

them, Rasky Baerlin Strategic Communications, counts David Tamasi, former finance chairman of the Trump Victory fund, as a senior vice president.

Neither Tamasi nor his staff returned calls to speak about their work. In April, Tamasi, who also recently began representing the government of Georgia, filed a termination report with PDVSA.

Since Maduro took office in 2013, Washington lobbying on behalf of clients based in Venezuela has totaled \$7.8 million, according to Senate lobbying records.

Gimenez, part of the Cuban-American political scene in Miami that despises Maduro, said he could not do work for Caracas after hearing from a friend who travels frequently to Venezuela.

“I was recently told a story by a friend of mine that his last trip to Venezuela included a check point of young armed gunmen that settled for a box of crackers instead of the customary cash transaction,” Gimenez said. “I did not feel comfortable representing a totalitarian regime that has oppressed its people for years, and is responsible for the deaths of so many innocent people.”

**The Spokesman-Review**  
**July 17, 2017**

**Vermont passes ethics, disclosure laws; now Idaho's one of just two states without**

<http://www.spokesman.com/blogs/boise/2017/jul/17/vermont-passes-ethics-disclosure-laws-now-idahos-one-just-two-states-wihtout/>

Thanks to legislative action this year in Vermont, Idaho is now one of just two states in the nation with no requirements for personal financial disclosure by state lawmakers or other elected or appointed officials. Idaho had been one of three states with that distinction. Now it's just Idaho and Michigan.

S.8, the legislation that Vermont Gov. Phil Scott signed into law on June 14, includes a series of ethics reforms; it passed the Senate unanimously, and the House, 120-24. Its provisions include:

DISCLOSURE: Requirements for candidates and office-holders to disclose all income sources over \$5,000, though not the specific amounts; the requirement includes income for both the candidate and candidate's spouse. Candidates also will be required to disclose all entities on which they serve; companies in which they or a spouse own more than 10 percent; leases or contracts with the state in

which the candidate or spouse has a 10 percent or more interest; and whether the candidate's spouse or domestic partner is a lobbyist. Also, candidates for statewide offices will be required to release their federal tax returns.

**REVOLVING DOOR:** Legislators or executive officers will have to wait one year after leaving office before they could become lobbyists.

**CONTRACTOR CONTRIBUTIONS:** Sole-source contracts with those who have made campaign contributions are prohibited, as are campaign contributions by those holding state sole-source contracts.

**ETHICS COMMISSION:** Vermont will establish a State Ethics Commission, effective Jan. 1, 2018, with power to accept, review and refer complaints.

**CONFLICTS:** Every town, city and incorporated village in Vermont is required to adopt conflict-of-interest prohibitions for its elected officials and employees by July 1, 2019. The Vermont Secretary of State will then accept written complaints of violations, forward them to the town in question, and report them to the Ethics Commission.

Vermont's move comes as the Idaho Legislature has appointed a working group of 10 lawmakers to study possible changes to Idaho's laws on campaign finance reporting and ethics. Idaho currently has no "revolving door" law or financial disclosure requirements. Those are among the reasons the state earned a "D-minus" in the State Integrity Investigation in 2015, which compared states and their ethics and disclosure laws, practices and enforcement.