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Westerman's seat on panel aiding coffers; transportation-lobby cash way up from previous years

<http://www.arkansasonline.com/news/2017/aug/13/westerman-s-seat-on-panel-aiding-coffer/>

Congressman Bruce Westerman, R-Ark., received more campaign donations from transportation associations and related businesses in the first half of this year than for the same time period over the past three years combined.

The rise in contributions from the transportation sector comes during Westerman's first stint as a member of the House Transportation and Infrastructure Committee.

Westerman, who represents Arkansas' 4th Congressional District, collected about \$34,000 from the shippers and transit employee groups so far this year. In 2016, an election year, he took in about \$5,000 from transportation-related organizations as compared with about \$11,500 in 2015, and about \$1,500 when he first ran for office in 2014. The information was obtained from the Federal Election Commission's website.

Officials in Westerman's office declined to comment.

The Owner Operator Independent Drivers Association donated \$1,500 to Westerman in February. A spokesman for the group said the donation was made because of the congressman's support for small business.

"Lawmakers seldom miss an opportunity to tout how much they support small businesses," Norita Taylor, the spokesman, wrote in an email. "When push comes to shove, some do, some don't. We try to recognize those who really do. Rep. Westerman has demonstrated a genuine interest in helping our members overcome certain regulatory burdens."

Donations from transportation organizations represent about 9.8 percent of \$344,943 in contributions to Westerman's 2018 campaign.

The sector's donations to the Arkansas congressional delegation overall swelled in the second quarter. In the first three months of the year, about \$30,500 went to these candidates' campaign funds, and in the second quarter, the amount was about \$42,000, for about \$72,500 total so far this year.

U.S. Rep. Rick Crawford, R-Ark., also a member of the House Transportation and Infrastructure Committee, received about \$12,500 from transportation organizations in the second quarter of this year, up from \$2,000 in the first quarter.

Transportation groups' donations to U.S. Rep. French Hill, R-Ark., were \$2,500 in the first quarter and \$3,000 in the second. The amounts to U.S. Rep. Steve Womack, R-Ark., were about the same in both quarters: \$7,500 in the first and \$8,000 in the second.

The state's U.S. Sens. Tom Cotton and John Boozman, both Republicans, received donations from the transportation sector only in the second quarter. Cotton received \$500, and Boozman received \$2,500.

The transportation organizations' \$34,000 in donations to Westerman so far this year is more than triple the total he received in the first halves of the past three years combined. For the first half of 2016, he received \$2,000. In the first half of 2015, he received about \$8,500, compared with no trucking-related donations when he first ran for the office in 2014.

In January, Transportation and Infrastructure Committee Chairman Bill Shuster, R-Pa., announced Westerman's assignment to the committee. House Speaker Paul Ryan said in a statement that Westerman's engineering experience makes him an ideal choice for the committee.

The committee is considering provisions that could fundamentally change how companies ship and how consumers travel.

One of the most watched bills before the transportation committee is the 21st Century Aviation, Innovation, Reform and Reauthorization Act. It includes an amendment filed earlier this year that would prevent states from regulating truckers' workdays.

The Aviation, Innovation, Reform and Reauthorization Act also would deregulate air traffic control. Advocates want to privatize air traffic control rather than have it overseen by the Federal Aviation Administration.

Westerman is a co-sponsor of the House version of the bill, introduced earlier this year by Shuster. Westerman's campaign has received money from some of the same interest groups that are registered to lobby for and against the bill.

The Aircraft Owners and Pilots Association PAC, a lobby that represents a wide range of aviators, has given about \$2,000 to Westerman. It includes registered lobbyists who oppose the Aviation, Innovation, Reform and Reauthorization Act, according to documents from the U.S. House Office of the Clerk. Meanwhile, the Airline Pilots Association lobby is registered to support the bill and gave Westerman \$1,000.

Another scrutinized provision of the Aviation, Innovation, Reform and Reauthorization Act hangs heavily over rural airports. It pertains to essential air services funding, which provides grants to air carriers that travel from smaller, rural airports to international hubs, like Dallas/Fort Worth International Airport. The president has sought to eliminate the funding, but House and Senate funding bills have so far resisted cutting it.

"And that's good for Arkansas," Virginia-based aviation strategist William Swelbar said. "Just given the fragile nature of its air service, those subsidies are very, very important."

Candidates must report their financial contributions and expenditures every three months to the Federal Election Commission, which then publishes them, making them available for the general public.

The fact that the lobby information pertaining to Westerman and other lawmakers is publicly available, "is a strong endorsement for campaign laws that ensure transparency and limit the amount that special interests can give to candidates," said Chisun Lee, a lawyer at New York University's Brennan Center for Money in Politics.

Tallahassee Democrat
August 14, 2017

FBI probe touches local lawmaker and lobbyist

<http://www.tallahassee.com/story/news/2017/08/14/fbi-probe-touches-local-lawmaker-and-lobbyist/541105001/>

While the undercover FBI investigation into Tallahassee City Hall doesn't seem to have spread across Pensacola Street to the state Capitol, two prominent state-level politicians have deep ties to the men and organizations under the feds' microscope.

Neither the FBI or the mysterious Mike Miller has contacted a member of Tallahassee's delegation to the state legislature, lawmakers said.

But Rep. Halsey Beshears, R-Monticello, grew up with J.T. Burnett, a man named in the subpoenas whose businesses stand at the intersection of many Community Redevelopment Agency deals.

They include the Gateway development at Tennessee and Monroe and the DoubleTree Hotel on Park – the CRA will funnel \$883,000 to Burnett and others over the next seven years as reimbursements for the DoubleTree project.

Burnett was a generous supporter of Beshears' first campaign in 2012, contributing more than \$4,000 personally and through his companies. The contributions tapered off in the next two cycles.

"J.T. has been a friend of mine for a long time," said Beshears. "But since that first election, he has hardly written me any checks."

A past president of the Florida Nurseries, Growers and Landscaping Association, Beshears was suspected by some cannabis lobbyists of inserting an amendment into the 2014 medical marijuana law limiting license eligibility to a handful of growers.

The amendment was supported by the FNGLA, which has contributed to each of Beshears' campaigns.

Beshears, at the time, had disassociated himself from his family's nursery, Simpson Nurseries, which has since teamed up with Hackney Nurseries to create Trulieve. Trulieve is a marijuana dispensing company created by Kim Rivers.

Rivers and her partner Burnette were named along with six other business people in grand jury subpoenas given in June to the city and CRA. Trulieve was not among more than a dozen businesses listed in the subpoenas, issued as part of the FBI's probe.

Beshears dismissed any suggestion that he was behind an amendment that eventually provided a friend an entryway into the budding marijuana industry – expected to grow into a \$780 million market once matured.

The three-term lawmaker said he has not been contacted by the FBI or anyone about the CRA investigation.

It is uncertain when the FBI will conclude its investigation and how tangled a web of business, political and personal relationships was weaved by the Tallahassee CRA.

"I'll tell you this; by the end of the day JT will be found innocent," said Beshears. "Right now, he's guilty by association. I hate it. I hate it for him and Kim. I honestly believe they have been good for the county."

Another prominent Capitol player, Nick Iarossi is also indirectly caught up in the probe.

The founder of Capital City Consulting, a leading lobbying firm, has financial connections to two people and an organization named in the subpoenas. He is an investor in a business owned by one and lobbies for another business set up by Burnette's partner.

Iarossi put money into the Edison restaurant, owned by Adam Corey. Corey introduced Miller around town, setting up meetings with elected officials and city and county staff.

Iarossi is a key investor in Cascades Holdings, a consortium of secret investors that launched the Edison. Before Iarossi joined the venture, Cascades Holdings received \$2 million in public money, including CRA funds, for the Edison project.

"Hopefully there is no wrongdoing with the CRA and the Edison," said Iarossi. "(At this point) I'm simply an investor along for the ride. We'll see how it turns out."

Iarossi also represents Trulieve's interests as a lobbyist at the state capitol.

The FBI hasn't contacted Iarossi, either. And neither he nor Beshears recalled ever meeting Miller, who also partied with local investors, businesspeople, and officials at the Tallahassee Chamber's annual retreat at a Sandestin resort two years ago.

"I am not aware of any spill over into state politics," said Iarossi about the CRA investigation.

Since 2000 the Tallahassee CRA has spent millions on projects. It works with tax money generated in a corridor of neighborhoods stretching from Frenchtown, through downtown and into the south side. CRAs were created to fight blight and generate economic activity but they have a mixed history.

A Miami-Dade grand jury found last year that CRAs "are free to solicit a particular person or company to do a specific project without a competitive bidding process."

The report prompted the Florida Legislature to draft legislation to demand more transparency and eventually phase out the agencies. While that legislation failed this year, it is likely to be resurrected again next year because it is a priority of House Speaker Richard Corcoran.

Lack of a competitive bidding process can generate cries of favoritism and paybacks. If that is the subject of the probe there is apparently no thread leading from CRA players to the halls of the Capitol, lawmakers tell the Democrat.

Rep. Ramon Alexander, D-Tallahassee, said he's focused on state worker and other issues, not the FBI probe.

"So, no, I don't have any information to offer because I have I have not given that investigation much attention," he said.

Rep. Loranne Ausley, D-Tallahassee, said she hasn't been contacted by the FBI nor has her office received any inquiries from Miller, an alleged representative of a development company from Atlanta who sources say was an undercover agent.

Sen. Bill Montford, D-Tallahassee, told the Democrat the same.

"Unless I bumped into him at Krispy Kreme," Montford quipped about Miller.

The ADA News
August 16, 2017

State ethics rules often hide sources of lobbyists' gifts, meals

http://www.theadanews.com/news/local_news/state-ethics-rules-often-hide-sources-of-lobbyists-gifts-meals/article_064eef02-6b8b-511f-b992-8869975901e0.html

On the eve of the final day of this year's legislative session, Robert Johnson, a legislator-turned-lobbyist, paid \$744 to treat six Democratic lawmakers to a meal and beverages.

That same day, Richard Phillips, also a former legislator-turned-lobbyist, picked up a \$338 restaurant tab for a group of 11 Republicans.

Both lobbyists list tobacco companies among their nine clients.

But because of an Oklahoma Ethics Commission rule passed three years ago, the public can only guess if the purpose of those dinners was to discuss the controversial cigarette-fee increase up for vote the next day.

An Oklahoma Watch review of thousands of gifts and meal purchases made during the first six months of 2017 found it's impossible to confirm through records who was bankrolling efforts to influence policymakers for a quarter of the record-setting \$485,000 that lobbyists spent on state officials and legislators.

That's because Oklahoma, unlike dozens of other states, doesn't require lobbyists to reveal what bill or topic they are discussing when they buy a meal for a state official. Lobbyists also don't have to list what client they are representing when they buy a meal or a gift. Dinners can total a few hundred dollars per recipient, and gifts can include anything from a \$20 lapel pin to a \$173 bouquet of flowers to \$190 Oklahoma City Thunder tickets.

(Legislators who live more than 50 miles from the State Capitol receive payments of \$156 per day for lodging and meals during the legislative session.)

State ethics officials and lobbyists say this rule change has helped incentivize lobbyists to fully disclose their spending by making the reporting process easier.

But open-government advocates and some state lawmakers from both major parties say the rule change has watered down disclosure requirements to the point where the public is often left in the dark about which special interests are trying to influence public policy through personalized access and whether conflicts of interest exist.

"Lobbying disclosure helps the public, journalists and legislators understand who is spending money to try to influence public policy," said John Wonderlich, executive director of the Sunlight Foundation, a nonprofit group that promotes government transparency. "Since our policies are decided through public discussion, it's pretty important to understand if someone is trying to manipulate that discussion."

Gaps in disclosure

Ethics Commission reports show lobbyists purchased about 6,500 meals or gifts for lawmakers from January to the end of June – the reporting period that covers the bulk of lobbying activity since it includes the four-month legislative session.

Registered Lobbyists

There are 411 registered lobbyists in Oklahoma, up from about 375 in 2014. In 2015, the state also began counting legislative liaisons, the state employees who lobby for their agencies. There are currently 144 of those.

State rules only require lobbyists who spend money on individuals to list the date, amount and recipient. The Ethics Commission also caps how much a lobbyist can spend, regardless of how many clients they have, at \$500 per lawmaker or state official per client. The cap applies to individual lobbyists, not to the firms that employ them.

For lobbyists who represent just one company or organization, it's often clear who is behind the meal, drink or gift.

But it's a different story for the more than 80 lobbyists who have multiple clients.

In those cases, the state doesn't require a lobbyist to list which of his or her clients are being represented when the lobbyist sponsors a meal or event to which all lawmakers or an entire caucus or committee are invited.

The public can only speculate on what company or special-interest group is ultimately paying the lobbyist who purchases the gift or meal.

For example, in the case of the six Democrats who were wined and dined on the second-to-last day of the session, May 25, the public would only see that the lobbyist who paid for those meals, Robert Johnson, had four clients. Those include tobacco giant Reynolds American, the Oklahoma Association of Electric Cooperatives, the Alliance for Responsible Consumer Legal Funding and the Oklahoma Petroleum Marketers and Convenience Stores Association.

It could have been any, or more than one, of Richard Phillips' five clients – the Oklahoma Retail Cigar Association, Oklahoma Association of Community Action Agencies, Oklahoma Association of Realtors, Oklahoma Educational Television Authority Foundation or Notarize Inc. – behind his dinner with the 11 Republicans.

Oklahoma Watch attempted to reach six legislators who attended the meals, and two responded, saying they couldn't recall what was discussed. The others did not respond. The two lobbyists did not return calls seeking comment.

It's even more difficult to uncover the original source of the lobbying funds with lobbyists who list dozens of clients.

Six lobbyists with the firm FKG Consulting, for instance, each list more than 44 clients.

These lobbyists, the disclosure reports show, spent more than \$10,000 during the first six months of this year. Much of that money was spent on meals, ranging from \$1.36 to \$130 per person per occasion. It's impossible to know from disclosure reports whether the money was spent on behalf of private-prison operator CoreCivic, Chesapeake Energy, the Institute for Responsible Alcohol Policy or one of FKG's other 40 clients.

Sample of Lobbyist-Paid Meal

Lobbyist Bryan Fried works for FKG Consulting and lists more than 40 principals, or clients, in his registration with the Oklahoma Ethics Commission. (Other FKG lobbyists list all of these clients.) On March 8, Fried paid for meals for five Republican House members, for a total of \$269.94, according to his commission filings. Fried's purchase was not unusual but simply shows that relatively few details of any lobbyist dinner with public officials are required to be disclosed, even if a lobbyist has multiple clients.

Even when a lobbyist represents only one client, the potential beneficiaries may be unclear. A broad-based association such as a chamber of commerce might lobby for a change in law that largely benefits one industry, but that won't be evident in the lobbyist's disclosure report.

Relatively Lenient Rules

Wonderlich, of the Sunlight Foundation, said reporting rules as lenient as Oklahoma's are unusual. A 2015 study by his group found that Oklahoma is one of 11 states that doesn't require lobbyists to report at least the general subject of the lobbying activity.

Fifteen states require lobbyists to take the extra step of listing what bill or action they discussed, and seven of those states require lobbyists to disclose what position they are taking on the topic.

"What we've seen is lobbyists and lobbying firms will live up to the minimum standards of the law," Wonderlich said. "So the question is, are the minimum standards as set by the law enough to give the public and lawmakers an appreciation for just how strongly moneyed interests are trying to influence legislation?"

Sen. Rob Standridge, R-Norman, is among the lawmakers who say the standards are too lenient.

He filed legislation this year to require lobbyists to list the subject area or legislation that was discussed when a meal or gift is purchased. But that legislation, similar to eight other bills introduced in the past three years to limit lobbyist spending or increase disclosure, failed to make it out of committee.

Standridge said he believes lobbying plays an important role in educating lawmakers on a range of issues. But he said requiring lobbyists to reveal their intentions would help avoid at least the perception that they unduly influence the legislative process.

"We see, for example, that a lot of out-of-state businesses or interests do a lot of the lobbying during the session," he said. "And while there's nothing wrong with that, at the end of the day requiring more transparency could convince legislators to do what's best for Oklahomans and Oklahoma businesses."

Rep. David Perryman, D-Chickasha, has also unsuccessfully tried to pass legislation to require greater disclosure of lobbyist spending and said he backs Standridge's proposal.

"The amount spent is what usually gets all the attention," he said. "But if a lobbyist is basically buying access to lawmaker, why shouldn't the public know what they talking about?"

As a member of the GOP leadership in the Senate, Standridge said he was "baffled" that his bill didn't even get a committee hearing.

"I think it's a no-brainer," he said. "Maybe some lawmaker won't want the change or it could upset some lobbyists, but I guess there just isn't the political demand for it."

Thunder Tickets

Lobbyists purchased dozens of Oklahoma City Thunder tickets for legislators from January through May. For example, from January through March, Michael D. Jackson, lobbyist for the Oklahoma Public Employees Association, bought 24 Thunder tickets, often with food, for legislators for their birthdays. But the games weren't necessarily timed to the birthdays. Sens. Rob Standridge, Ervin Yen and Greg Treat, who have birthdays in December or May, got Thunder tickets of \$88.50 each in February. New rules that take effect Jan. 1 will prohibit gifts for such annual events and instead allow them for major life events such as marriage, birth, adoption, a serious illness or retirement.

Disclosure vs. Compliance

The Ethics Commission's revision of lobbyist disclosure rules in 2014 came partly in response to complaints from lobbyists.

Jo Pettigrew, who ended her five-year term as the commission's chairwoman last month, said lobbyists routinely said that the state's requirements were too onerous. As a result, she said, the commission believed a large amount of lobbying was going unreported.

That prompted the commission to adopt a series of changes that included removing the requirement that lobbyists list the specific client for each gift or meal purchase.

"I just felt we thought it wasn't that necessary," Pettigrew said. "And it's difficult for lobbyists to comply with this consistently because you start out talking to a lawmaker about an issue and then another one comes up."

In 2015, the first year after the rule changes went into effect, reported lobbyist spending from January to June more than doubled, from about \$155,000 in 2014 to \$325,800 in 2015. Since then, it has risen to this year's January-to-June total of \$485,175.

One possible reason for the increase a rule change that upped the amount lobbyists could spend on individual lawmakers or state officials to \$500. Previously, lobbyists could spend \$100 per individual, but that amount could be multiplied by the number of clients they represented.

But Pettigrew said she suspects the easier-to-follow rules caused many lobbyists to disclose spending that they previously wouldn't have reported.

Jim Dunlap, a lobbyist with the firm Majority Plus, agreed.

"I think there is a lot out there that's now being reported," he said. "I don't think more is being spent, it's just the Ethics Commission has made it a lot more easy to comply."

Dunlap, a former lawmaker, represents a diverse group of clients that include energy companies, a firm that sells hearing aids to seniors and a gun-control group.

He said during a given dinner with a lawmaker or group of lawmakers, he might discuss four or five different bills being pushed by several of his clients.

"Then what are you going to do?" he said. "Are you going to have to break it out and say (I spent) \$15 for this, \$15 for this and \$12 for that?"

Since it's a hard task for the state to monitor lobbyists who don't fully disclose their spending or people who don't even bother registering as a lobbyist, he argued it's a better strategy to focus on compliance and make sure lobbyists don't exceed their spending caps.

"Because those who don't register can do what they want," he said. "They don't have to report – or I should say they don't report – and there's no real enforcement for those doing that."

Pettigrew said the state lobbying rules remain a work in progress. For now, she said, the Ethics Commission has been focused on studying the spending limits and enacting new restrictions on when lobbyists can buy lawmakers or state officials non-meal gifts.

"But if the public really felt they really needed it, hey, bring it to the commission," she said. "If the public thinks it would help them, that is the kind of input the commission wants to hear."