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[Mueller's Digging Exposes Foreign Lobbying and Its Big Paydays](#)

The mandate given to Robert Mueller and his team was broad: to investigate not just Russian election interference but also any related crimes they might unearth. So when this group of seasoned prosecutors began rooting around Washington, they pounced on a ripe target — lobbyists taking millions of dollars from foreign governments.

At the trial of Paul Manafort, an unflattering picture has emerged of lawyers, lobbyists and consultants from both political parties winning big paydays for work on behalf of a Kremlin-aligned former Ukrainian strongman. Some spent the money on cars and homes, prosecutors said, and a jacket made of ostrich for Manafort.

The vigor with which Mueller has investigated the flows of money from Ukraine, Turkey and other countries into Washington could be as much a part of his legacy as special counsel as whatever he discovers about possible collusion between Russia and the Trump campaign or presidential obstruction of justice.

The Manafort case is part of a broader inquiry into the lucrative work done on behalf the former president of Ukraine, Viktor F. Yanukovich, and Mueller has handed some elements of the investigation to prosecutors in New York. Beyond his office, the Justice Department has also recently been pursuing foreign influence cases with greater urgency.

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All this has prompted lobbyists to hunt for advice about how to comply with laws governing that sphere, long viewed as toothless. “The phone rings much more often with this question than it did two years ago,” said Tom Spulak, a partner at the King & Spalding law firm who advises on lobbying compliance.

Over the past year, Mueller and the Justice Department have pursued numerous cases both under the Foreign Agents Registration Act, or FARA, and related to foreign influence operations more broadly. FARA prosecutions were once almost unheard-of, according to a Justice Department inspector general report: For nearly a half-century, from 1966 until 2015, the department pursued only seven.

In addition to Manafort, the recent cases include the special counsel's indictments against Russians who disseminated stolen information and used disinformation to influence how Americans perceived the candidates in the 2016 presidential election. Also among them is the complaint against Maria Butina, the Russian accused of acting as a foreign agent and plotting to gain Republican support for pro-Russia policies.

Even the case against Michael T. Flynn, Trump's former national security adviser, included allegations that he had lied to investigators about lobbying work he did on behalf of the Turkish government.

Taken together, the cases shine a light on foreign influence operations that have become deeply embedded in Washington, and the culture of lobbyists who get rich helping their foreign clients affect how laws and policies are made in the capital.

To be sure, federal law enforcement officials took a more aggressive stance on foreign influence before the appointment of Mueller. They increased enforcement of FARA as part of a move to do "everything we could to meet the counterintelligence mission of the Justice Department," said David Laufman, the former chief of the department's counterintelligence and export control section who oversaw the shift.

The department began to write more aggressively worded letters to lobbyists seeking information about their work. After receiving letters of inquiry from the Justice Department last year, four Russian news media companies, including RIA Global and RTTV America, have registered as agents of a foreign principal under FARA. In retaliation, Russia passed a law to designate international news media companies as foreign agents.

But because of the intense attention it has drawn, Mueller's investigation shined a spotlight on the waves of foreign money washing through American politics in a way that the other Justice Department efforts never could.

The number of new primary FARA registrations grew to 102 in 2017 from 69 in 2016, and was on pace to rise again in 2018, according to figures from the Justice Department published by the law firm Holland & Knight.

The first days of Manafort's trial offered exhibit after exhibit of this lavish world, beginning with his extravagant purchases, including cars, Persian rugs and expensive clothes.

It also revealed bipartisan largess. One 2014 email presented in court Tuesday showed Democratic consultant Thomas A. Devine proposing a "day rate" of \$10,000 to do work in Ukraine on behalf of Yanukovich, the Russia-aligned former president who was a longtime client of Manafort.

"You would need to make the travel arrangements, and transfer the \$50G before the trip," he wrote to Rick Gates, Manafort's partner for the Ukraine work. "If you want me to come on Monday and leave Thursday it would be \$40G."

Devine, who is known as Tad, went on to become the chief strategist for the presidential campaign of Sen. Bernie Sanders of Vermont, a self-proclaimed democratic socialist.

In addition to the investigations of Manafort and Gates, who pleaded guilty in February to numerous financial crimes and became a cooperating witness in the special counsel investigation, Mueller's team pursued three other investigations into lawyers and lobbyists who did work in Ukraine.

The cases involve Gregory B. Craig, who served as the White House counsel under President Barack Obama before leaving to work for the law firm Skadden, Arps, Slate, Meagher & Flom; Tony Podesta, an influential Washington lobbyist whose brother, John D. Podesta, was chairman of Hillary Clinton's presidential campaign; and former Rep. Vin Weber, R-Minn., who joined the lobbying firm Mercury Public Affairs after leaving Congress.

None have been charged with any crimes. Mueller's referral of those cases several months ago to federal prosecutors in New York was revealed in news reports Tuesday. Whereas the public once thought of the Justice Department's counterintelligence mission as primarily trying to catch foreign spies seeking to obtain government secrets, the department has made clear in a recent cybercrimes report and congressional testimony that influence has become as great a threat.

The government's case against Butina, which was not brought under FARA, could be a template for future prosecutions, said a former Justice Department official, who predicted they could spread to influence peddling from Eastern Europe and China as well as Russia.

Butina was charged with acting as a Russian agent, a more serious crime than a typical FARA violation. The charge allowed prosecutors to impanel a grand jury and issue subpoenas to subjects of investigations — tools not available in FARA inquiries. Bills to give the Justice Department the power to compel records in FARA cases are sitting in Congress but have gained little traction.

The lobbying industry last faced intense scrutiny after Republican lobbyist Jack Abramoff was caught up in a sprawling corruption and bribery investigation. He went to jail in 2006 for fraud. That case put a temporary chill on the industry, and some Washington lobbyists made up for lost business with foreign clients trying to exert influence on U.S. politicians.

The Justice Department will continue to pursue foreign influence operations inside the United States, the deputy attorney general, Rod J. Rosenstein, vowed last month.

Russian schemes to influence the presidential election, he said, are “just one tree in a growing forest.”

[PG&E, paint companies among top California lobbying spenders](#)

Fights over who is financially liable for wildfire damage and lead-paint cleanup sparked millions of dollars in lobbying at the California Capitol from April through June, with a utility giant and paint companies spending dramatically more than usual to advance their positions.

Groups must disclose how much they spend on lobbyists and other activities to influence California policy. The spending by the utilities comes as they are asking the Legislature to reduce their liability for wildfires sparked by their equipment, while the paint companies' spending reflects an effort to influence lawmakers on issues related to lead paint cleanup.

Pacific Gas & Electric Co. spent more lobbying in California than any other entity in the last quarter, according to reports filed with the state ahead of a Tuesday deadline. It dropped more than \$1.7 million, nearly three times as much as it spent the previous quarter. Most of that money went to lobbying on wildfire issues.

Up from the Ashes, a group representing people who lost homes in fires, spent more than half a million dollars lobbying the Legislature to keep utilities like PG&E on the hook for the damage. Patrick McCallum, a lobbyist who lost his home in last October's wine country fires, said the group was formed earlier this year to counter lobbying efforts by PG&E.

The spending push came as lawmakers began discussing whether to reduce utilities' liability for future fire damage. PG&E may have to pay billions of dollars to cover damage from devastating fires in California last year.

Two other large utilities — the parent companies of Southern California Edison and San Diego Gas and Electric — also ranked in the top 20 spenders on lobbying last quarter. Both reported lobbying on wildfire liability.

PG&E is asking policy makers to change a California law that holds it almost entirely responsible for wildfire damage even if it follows safety rules. Those who want to change the law fear utilities could go bankrupt or significantly raise prices as climate change makes California wildfires even more severe.

"This is the biggest issue facing our company today, and it's a major challenge facing everyone in California," PG&E spokeswoman Lynsey Paulo said. "We really have to all work together to find comprehensive solutions."

At a news conference Wednesday about wildfires currently blazing across the state, Gov. Jerry Brown acknowledged the fierce lobbying on the utilities' liability.

"My goal was to try to find a reasonable balance that would reward players including utilities for doing the right thing but make them liable when they didn't," said Brown, a key player in the wildfire liability discussions. "There's a lot of people who can tee off on their particular interests, but we want the Legislature to represent all the people and sift through the various claims."

After PG&E, an oil industry trade group was the second biggest spender. The Western States Petroleum Association dropped \$1.6 million to influence state policy last quarter.

Conagra and Sherwin-Williams also ranked in the top five lobbying spenders this quarter. They spent roughly \$1 million each as they attempted to reduce their liability for lead paint in California buildings in the wake of a court decision that declared lead paint to be a public nuisance and required the companies to pay for cleanup. The companies' spending from April through June represented a dramatic jump from previous quarters, coinciding with their efforts to strike a deal with lawmakers over a November ballot measure they financed to limit their liability for the cleanup of lead paint. The companies pulled the measure and lawmakers agreed to back off of several bills they wrote to ensure the companies were held responsible for lead paint in California homes.

The companies' increased lobbying last quarter reflected increased activity in the Legislature on those bills, said Tony Dias, a lawyer for Sherwin-Williams.

[U.S. gas exporter's lobbyists failed to disclose Russian interests](#)

When a New Orleans businessman seized on the American shale revolution in 2014 and created a new ethane gas export company in Louisiana, a group of Russian investors provided most of the seed money.

And these weren't just any Russians. They were among the world's richest men, with strong ties to Russian President Vladimir Putin. One of them had been Putin's chief of staff. Two others are among the richest oligarchs in Russia. Another is now in the news for having funded the Russian gun-rights campaign of Maria Butina — a young, red-headed woman who was arrested last month for allegedly acting as a covert Russian agent to influence U.S. politics.

These Russians joined with New Orleans lawyer and entrepreneur John Houghtaling to form American Ethane Company in 2014. And records obtained by WWL-TV and its Russian reporting partners show that American lobbyists who were trying to influence members of

Congress on American Ethane's behalf failed to disclose the identities of any of the Russians who owned about 90 percent of the company.

That's significant because American law requires major foreign ownership shares to be disclosed, so members of Congress know whether they are being asked to support activities that could benefit foreign entities or maybe even compromise U.S. national security.

The nonprofit organization Transparency International gathered public disclosure forms filed by American Ethane's lobbyists and discovered the company's Russian shareholders were not disclosed until two weeks ago, after their ownership interests had already been [reported by WWL-TV](#).

WWL-TV and Transparency International teamed up to investigate the role of American Ethane's Russian investors and the company's requirements under U.S. law to disclose them to Congress.

Section 4(b) of the [Lobbying Disclosure Act of 1995](#) requires lobbyists to report any foreign investors with a greater than 20-percent ownership stake in their clients when they register the lobbying relationship: "Each registration under this section shall contain ... the approximate percentage of equitable ownership in the client (if any) of any foreign entity that ... holds at least 20 percent equitable ownership in the client."

The act defines "foreign entity" as a "foreign principal" under the [Foreign Agents Registration Act](#), which includes any person outside the U.S. who is not a U.S. citizen residing in the U.S., or any company with its principal place of business outside the U.S.

In 2014, a Moscow-based company called LLC Alternative, controlled by Russian billionaires Roman Abramovich and Alexander Abramov, owned just under 50 percent of American Ethane, according to corporate documents filed in a lawsuit in Orleans Parish Civil District Court.

Houghtaling said he wasn't involved with the hiring of lobbyists BGR Government Affairs to represent American Ethane from April 2014 to early 2015. But in less than a year, American Ethane paid BGR \$220,000 to represent it in Washington.

"We hired lobbying firms to work with U.S. programs that support U.S. exports overseas," Houghtaling said. "We discussed the company ownership structure and control, including ultimate beneficiaries, with these lobbying firms."

Asked why he didn't report the Russian owners of American Ethane on disclosure forms, BGR general counsel Dan Murphy said BGR met all requirements under the U.S. Lobbying Disclosure Act.

"Our registration speaks for itself. Above that, we do not discuss our work for our clients," Murphy said in an email last week.

Since 2015, American Ethane's other partners have bought out the shares controlled by Abramovich and Abramov, but according to new lobbying disclosure forms filed July 20, three of the four remaining Russian shareholders still own 88 percent of American Ethane.

In October 2017, American Ethane hired two other lobbying firms: Bold Strategies, based in Baton Rouge, and Sander Resources, based in Austin, Texas.

As those lobbyists worked for American Ethane in the halls of power, Louisiana's two U.S. senators, Bill Cassidy and John Kennedy, were contacting the U.S. Commerce Department to

draw attention to a massive 20-year, \$26 billion ethane export deal the company had negotiated with Chinese energy firm Nanshan Group.

Within weeks of hiring the lobbyists, Houghtaling was at a signing ceremony in Beijing with U.S. President Donald Trump and Chinese President Xi Jinping sitting nearby. Trump then touted the deals signed by American Ethane and three other U.S. firms with their Chinese counterparts, calling them critical in reducing America's trade deficit with China.

Since then, American Ethane has negotiated two other contracts with Chinese energy companies. If they come to fruition, the deals would be worth an estimated \$72 billion and would nearly triple the total amount of ethane now being exported by all U.S. producers.

Bold Strategies is still lobbying for American Ethane, and Houghtaling just returned from a trip to China where he and a Commerce Department official met with the mayor of a city on China's coast – one of the potential ports in line to receive liquefied ethane shipments from American Ethane.

Bold Strategies' president, Kyle Ruckert, filed an amended disclosure form July 20, disclosing the three Russians who hold more than 20 percent of American Ethane's shares.

"American Ethane has a complex multi-level ownership where it is not clear how ownership interests flow," Ruckert said in an email last week. "I consulted lobbying counsel throughout the process and updated my LDA registration in an abundance of caution."

Ruckert [was the longtime](#) chief of staff for former U.S. Sen. David Vitter, R-La., who attended a key meeting Houghtaling and his partners had with Abramovich and Abramov at Houghtaling's St. Charles Avenue mansion on Jan. 22, 2014, according to a lawsuit filed by one of the other Russian partners in American Ethane, Konstantin Nikolaev.

Nikolaev, a billionaire who owns the major transportation company Globaltrans, filed the lawsuit to try to stop Abramovich from shutting down American Ethane. Abramovich had not only put in \$25 million to start American Ethane, but also loaned the other partners \$18.75 million and had placed them in default.

Abramovich "believed in the project in 2014, when there was not an ethane export terminal operating in the United States... (but) before it was successful, he wanted to shut the project down, so we fought in court to keep it open," Houghtaling said.

Nikolaev's lawsuit in New Orleans and a federal bankruptcy case allowed the partners enough time to work out a settlement and buy out Abramovich. The terms of the buyout were not disclosed.

Bold Strategies' latest disclosure form states that Nikolaev holds 30 percent of American Ethane shares and former Russian legislator Mikhail Yuriev and television station founder Andrey Kunatbaev each hold 29 percent.

Houghtaling says he and those three Russians picked up additional shares after buying out Abramovich and Abramov in an undisclosed settlement early in 2017. Houghtaling confirmed that Alexander Voloshin, who served as chief of staff to former Russian President Boris Yeltsin and in Putin's first administration from 2000-2003, still owns the same 2.5 percent he had when American Ethane was formed.

None of the Russian partners have been targeted for U.S. sanctions. But Voloshin, Abramovich, Nikolaev and Yuriev are all classified as PEPs – Politically Exposed Persons – by the

international Financial Action Task Force on Money Laundering, singling them out for greater regulatory scrutiny because of their exceptional power and worldwide financial reach.

Nikolaev also has been a big name in the news lately after he acknowledged providing financial backing to Butina, the accused Russian spy.

Nikolaev's representative confirmed to the Russian newspaper Kommersant last week that Nikolaev financed the activities of Butina's gun-rights organization "Right to Bear Arms," from 2012 to 2014, but only for its efforts inside Russia.

Nikolaev's representative said Nikolaev has not been in contact with Butina since 2015, and an FBI affidavit alleges her criminal activity in the U.S. started in 2016.

In 2014, Butina took a photo with Louisiana Gov. Bobby Jindal at the annual [National Rifle Association convention in Indianapolis](#).

Timmy Teepell, a representative of the ex-governor, said that Jindal had not met with Butina before or since. Teepell said Butina just approached Jindal and asked for a photograph and Jindal never saw her again.

But that meeting came just a few months after Butina's financier, Nikolaev, had met with Jindal about the potential of building a petrochemical plant at the Shady Grove Plantation, in St. James Parish. Nikolaev and partners, including Houghtaling, had a preliminary agreement to purchase a 500-acre tract there and the company had spent millions of dollars on engineering the facility.

Nikolaev's lawsuit says he and his partners met with several Louisiana politicians, including Jindal, Vitter and former U.S. Sen. Mary Landrieu, to learn "how they could receive over \$100 million from the state of Louisiana in tax incentives."

Vitter couldn't be reached for comment about his meeting at Houghtaling's mansion in January 2014. But Landrieu told WWL-TV she met with Houghtaling and one of his partners separately.

"At John Houghtaling's request, I met with John and one of his associates. I don't remember who that was. All I knew was, he told me they were Russian and interested in building a plant in Louisiana," Landrieu said in a telephone interview with WWL-TV. "I told them that they need to speak with the (state of Louisiana's) Department of Economic Development, and this is the last I heard of it."

The group never did apply to Louisiana Economic Development for tax credits. After plans fell through to build a pipeline from Eunice, La., through Shady Grove, American Ethane abandoned the idea of establishing port operations in Louisiana. It let its business license in Louisiana lapse. It's now based in Houston and plans to build its multibillion-dollar export facility in Mont Belvieu, Texas.

[Andrew Wheeler, New EPA Chief, Details His Energy Lobbying Past](#)

The acting chief of the Environmental Protection Agency, Andrew Wheeler, has come under scrutiny for his years spent as a powerful energy lobbyist. He has represented an electric utility, a uranium producer, and, most significantly, a coal magnate who paid Wheeler's former lobbying firm more than \$2.7 million over eight years.

Wheeler is now in a position to act upon issues he once raised on behalf of his clients. And he is expected to be grilled on his relationships in the Senate on Wednesday, when he makes a regular appearance before the Committee on Environment and Public Works. It will be his first

testimony in Congress since assuming leadership of the agency in July, when Scott Pruitt resigned as EPA administrator.

In an interview, Wheeler provided fresh details about his lobbying activities, including specifics not included in his government-required disclosure forms, which have been criticized for their lack of detail. Wheeler also said that, well before Pruitt's ethics scandals hit the EPA, he had begun stepping away from lobbying activities related to the EPA, on the chance he might serve at the agency.

His recent activity as a coal lobbyist, he said, was pushing to kill a rule before the Interior Department that would have restricted coal companies from dumping waste into streams. He also advocated for the Miners Protection Act, he said, a bill that would have used funds earmarked to clean up abandoned mines to bolster mine workers' health care and pension plans.

Wheeler acknowledged working with Robert Murray, the head of Murray Energy, a coal company, to fight former President Barack Obama's signature climate change regulation, the Clean Power Plan. But he distanced himself from a series of memos that Murray earlier had presented to top Trump administration officials — including Energy Secretary Rick Perry and Pruitt — involving direct EPA issues like eliminating a major regulation on smog and reversing a scientific finding that global warming harms human health.

"I did not reach out to the Pruitt EPA at all. I did not lobby them. That was purposeful," Wheeler said. After the election, I cut off all ties with EPA and I did not take on any new EPA issues."

Yet while his most recent work did not involve lobbying the EPA directly, his activities — particularly on behalf of the coal industry, which is subject to EPA regulations on fossil-fuel emissions — have drawn sharp questions from Democrats and environmental groups.

Wheeler faces at least one formal complaint, by the nonpartisan government watchdog group Public Citizen, alleging that he "appears to be working on the same specific issue areas he had lobbied on within the last two years." That is a potential violation of President Donald Trump's ethics rules limiting the influence of former lobbyists on the government, the group asserts.

Wheeler's critics point in particular to his lobbying disclosure filings, which describe his lobbying activities only in general terms that they say fail to adequately reveal what he actually worked on the past eight years. "If I had it to do over again, I would have been more specific," Wheeler said. "But when I started lobbying I didn't really anticipate ever going back into the government."

However, by the time the 2016 election came around, Wheeler said he began shedding his EPA-related lobbying, anticipating that he might be called on to join the Trump administration. "I knew it was a possibility, so after the election I stopped lobbying any new EPA issues," Wheeler said.

One of Trump's earliest executive orders, aimed at fulfilling his promise to "drain the swamp" in Washington, permitted former lobbyists like Wheeler to join the administration as long as they did not meet one-on-one with former clients or work on any specific matters they had handled in private practice in the previous two years.

Wheeler, along with Justina Fugh, the EPA's senior counsel for ethics, said he had not sought or received any ethics waivers. Such special dispensations have been granted to dozens of people throughout the administration to bypass Trump's executive order and allow them to work on the matters on which they lobbied.

“I think that’s an ethical cloud if you have a waiver. I personally didn’t want to do that,” Wheeler said. “Because I was a lobbyist, and that was made a big deal during my confirmation process, I just wanted to be on safe ground there.”

Wheeler and Fugh said he had recused himself from meeting with Murray and seven other former clients for whom he worked during the two-year period covered under Trump’s ethics rule. He also has declared one EPA issue hands-off for him: a program called Energy Star that is overseen by the agency and that provides EPA labeling so consumers can compare the efficiency of washing machines, air-conditioners and other appliances.

Wheeler had lobbied Congress on behalf of Underwriters Laboratories, a company that does safety testing, which objected to some provisions in a bill related to Energy Star.

Wheeler said he also had gone beyond Trump’s ethics rules to set up a process within EPA to make sure he is not involved in decisions about any of the approximately 45 toxic cleanup areas, known as Superfund sites, owned by former lobbying or consulting clients. “I don’t see anything having to do with any of those sites,” he said.

Jan W. Baran, a leading Republican ethics lawyer, said Wheeler’s lobbying past might not sit well with environmentalists but it appears to meet the legal requirements laid out under federal lobbying rules. “Whether a coal lobbyist leading EPA is ethical, that’s different. You can have a discussion about that,” Baran said. And, he added, “Just because Murray is involved in the EPA doesn’t necessarily require Wheeler to recuse himself from everything.” In his first detailed discussion of his lobbying, Wheeler explained the bulk of his private-practice work over the past two years:

- Representing Sargento Foods, a Wisconsin-based cheese giant, he lobbied for legislation related to genetically modified food that would define the difference between natural and processed cheese, an issue the Food and Drug Administration is considering.
- For Xcel Energy, a utility company based in Minneapolis, he lobbied to help the company obtain a charitable deduction and backed legislation that would have protected its ability to remove dead wood around transmission lines in national forests, an issue that the U.S. Forest Service deals with.
- For the uranium mining company Energy Fuels Resources, Wheeler helped the company’s bid to persuade the Interior Department to adjust the boundaries of Bears Ears National Monument, emails released under public records laws show.

His work with Murray began in 2009 with a successful effort to kill congressional plans to curtail and put a price on carbon emissions. His disclosure forms after those early years, though, described his work for Murray only in broader terms, calling it “general energy and environment issues.”

Critics like Norman L. Eisen, the chairman of Citizens for Responsibility and Ethics in Washington, argue that, based on Wheeler’s own official descriptions of his lobbying activities, Wheeler is obligated to not work on “general energy and environment issues,” which would cripple his ability to serve as leader of the EPA.

“That is an exact description of what he does all day now at EPA,” Eisen said. He served as Obama’s special counsel for ethics and helped write the 2009 executive order upon which Trump based his 2017 order that set down rules for administration officials who have worked as lobbyists.

Wheeler acknowledged helping Murray oppose the Obama-era Clean Power Plan, which the coal industry disliked because it required states to cut carbon emissions by shifting from coal power to natural gas and renewables over 15 years. He maintained, however, that he is not obligated to recuse himself from working on a plan to replace that regulation. Wheeler also said, as he did in Congress during his confirmation hearing to be deputy administrator, that he had no direct involvement in crafting a series of controversial memos that Murray wrote. He acknowledged arranging and attending a March 2017 meeting with Perry at which Murray delivered his proposals, but said his only substantive involvement was looking at an early version.

“I had no role in the writing or drafting of that memo,” Wheeler said. “Murray is a pretty sophisticated lobbyist and they drafted their own memo and delivered it themselves.”

Murray also drafted a number of proposed executive orders for Trump, almost all of which deal directly with EPA issues like eliminating a smog rule and rolling back requirements that states reduce the smokestack pollution that is carried by wind and fouls the air in other states.

“I didn’t work on those,” Wheeler said.

Murray declined interview requests to discuss Wheeler’s work. At a recent public panel discussion in Washington, he said he believed Wheeler would do an “outstanding” job as EPA administrator. “I didn’t want to lose him, but the country has him,” Murray said. “He’s an honorable man.”

[Special counsel refers cases of 3 lobbyists, including Vin Weber, to federal prosecutors in New York](#)

Robert Mueller, the special counsel, has referred three investigations into possible illicit foreign lobbying by Washington insiders to federal prosecutors in New York who are already handling the case against President Donald Trump’s former lawyer, according to multiple people familiar with the cases.

The cases cut across party lines, focusing on both powerful Democratic and Republican players in Washington, including one whom Trump has repeatedly targeted — Democratic superlobbyist Tony Podesta. The cases are unlikely to provoke an outburst from Trump similar to the one he unleashed in April after prosecutors raided the home and office of Michael Cohen, then the president’s lawyer. But these cases do represent a challenge to Washington’s elite, many of whom have earned rich paydays lobbying for foreign interests.

They also tie into the special counsel investigation of Trump: All three cases are linked to Paul Manafort, the president’s former campaign chairman, whose trial on financial fraud charges began Tuesday in Alexandria, Virginia.

Manafort earned tens of millions of dollars lobbying for Ukrainian politicians with ties to Russia, and he drew other Washington lobbyists and lawyers into the work. Now, all three cases being taken on by the U.S. Attorney’s Office in Manhattan are examining whether those lobbyists failed to register as foreign agents, as is required by law, and how they were paid, said people familiar with the investigations.

The cases involve Gregory Craig, who served as the White House counsel under President Barack Obama before leaving to work for the law firm Skadden, Arps, Slate, Meagher & Flom; former Rep. Vin Weber, R-Minn., who joined a lobbying firm after leaving Congress; and

Podesta, a high-powered Washington lobbyist whose brother, John Podesta, was the chairman of Hillary Clinton's 2016 presidential campaign.

The three men have not been charged with any crimes, those familiar with the cases said.

Robert Mueller on February 16, 2011, as he testifies before a Senate Intelligence Committee hearing in Washington, D.C.

But the cases have progressed far enough that Mueller's team has subpoenaed or requested documents, and his investigators have interviewed Craig, people familiar with the investigations said.

All three men were informed in the late winter or early spring that Mueller was handing off the investigations to prosecutors in New York, the people briefed on the cases said.

The referrals were first reported by CNN, and none of the men could immediately be reached for comment. Peter Carr, a spokesman for Mueller, declined to comment.

A former senior official at the Justice Department, who spoke on the condition of anonymity to discuss an open investigation, said that the special counsel had referred some cases under the Foreign Agents Registration Act to the federal prosecutors in Manhattan and to other parts of the Justice Department.

The former official would not provide details of the cases. But the official did say that prosecutors in the department's criminal and national security divisions periodically meet with Mueller's team to discuss whether cases are appropriate targets for the special counsel, who is investigating Russia's interference in the 2016 presidential election and whether any associates of Trump aided the Russian campaign.

Mueller's specific mandate appeared to be why prosecutors in New York took on the investigation into Cohen, who helped Trump navigate thorny personal and business dilemmas in more than a decade serving as his fixer. Cohen now finds himself under legal scrutiny on issues far afield for Russian election interference, such as his ownership of taxi medallions and whether he paid hush money to a pornographic film star who claims to have had an affair with Trump.

Mueller and others at the Justice Department appear to have determined that the examination of lobbying for foreign powers, like Cohen's business dealings, could fall beyond the special counsel's mandate.

But it was unclear why the jurisdiction for the lobbying cases was changed. Unlike Cohen's business, which was based in New York, the lobbying took place in Washington, although payments for the work from overseas most likely flowed through New York.

Under U.S. law, anyone who lobbies or conducts public relations on behalf of a foreign interest in the United States must register with the Justice Department. The law carries stiff penalties, including up to five years in prison. But it had rarely been enforced and thus was widely ignored, until recently.

Now, it appears to have become a weapon for prosecutors. Michael Flynn, the former national security adviser, was facing possible charges of violating the law over his secret work for the Turkey during the campaign before he agreed to cooperate with Mueller last year.

The three cases referred to prosecutors in New York appear to be another sign that the Justice Department intends to more strenuously enforce the law.

Yet, as the cases show, such investigations often confront prosecutors with interlaced financial arrangements that can prove difficult to untangle.

The Podesta Group, Podesta's firm; Mercury Public Affairs, where Weber worked; and Skadden, where Craig practiced, were all recruited by Manafort to assist with his work in Ukraine on behalf of that country's president at the time, Viktor Yanukovich, who was considered a Kremlin ally.

But two of the firms — the Podesta Group and Mercury Public Affairs — were retained through a nonprofit group in Brussels, the European Center for a Modern Ukraine. The nonprofit was directed by Manafort, and the firms lobbied in Washington on behalf of the nonprofit for what Manafort billed as Yanukovich's efforts to move Ukraine into the West.

The firms were paid more than \$1.1 million each for the work. But they did not initially register to lobby with the Justice Department as foreign agents. Doing so would have required them to make detailed disclosures of the lobbying activity they had performed.

They instead had filed less detailed lobbying reports with Congress. They then retroactively registered to lobby for foreigners with the Justice Department in 2017.

Skadden was hired directly by Yanukovich's government to analyze the prosecution of one of Yanukovich's leading political rivals, former Prime Minister Yulia Tymoshenko. Led by Craig, the firm published a report in 2012 that was used — mostly without success — to try to allay concerns about Yanukovich's leadership in Washington.

Skadden also did not register its activity under lobbying rules, despite Craig himself being involved in promoting the report to journalists and members of Congress — activity that experts said should have prompted registration requirements.

Craig left Skadden in April as investigators made inquiries about his work with Manafort. While the departure was presented as voluntary, a lawyer familiar with the situation said that Craig was forced out.

Mueller's team repeatedly referenced the work of the firms in his filings in Manafort's case, including accusing Manafort and his longtime deputy of using an offshore account to "funnel \$4 million to pay for the report" from Skadden.

Mueller's team also indicted a Skadden lawyer who worked with Manafort on the report. The lawyer pleaded guilty to lying to investigators about his communications with a former Trump campaign aide and has already completed a jail sentence.

Lobbyists and location stymie rural America's quest for broadband

According to the Institute for Local Self-Reliance, a 42-year-old nonprofit that specializes in community-level needs such as Internet access, 19 states have laws designed to "prevent or discourage" cities and towns from developing broadband networks.

Running a T-shirt printing business on the main street of Pinetops, a North Carolina town with a population of less than 1,500 people, Suzanne Craig depends on the Internet.

But getting reliable high-speed access isn't always a simple matter for Craig and entrepreneurs like her. Some 39 percent of rural Americans lack access to broadband Internet, the Federal Communications Commission found in a 2016 report, compared with just 4 percent of urban residents.

The reasons are simple, yet challenging to address.

Rural communities tend to be less profitable for service providers, since a smaller number of customers spread over a larger geographical area prevents economies of scale that are achievable in a densely populated region. And years of lobbying by large Internet service providers have led to a web of state laws that block competitors and shelter incumbents.

According to the Institute for Local Self-Reliance, a 42-year-old nonprofit that specializes in community-level needs such as Internet access, 19 states have laws designed to “prevent or discourage” cities and towns from developing broadband networks.

In many cases, large incumbent internet providers are shaping state policies to choke off competitors, said Christopher Mitchell, the group's director of community broadband networks. “Most state legislatures, on broadband issues, will only hear from incumbent providers,” he noted.

When entrenched providers in rural locations fend off new rivals, they don't need to upgrade old infrastructure that can be slower and less reliable, said Debra Socia, the executive director of Next Century Cities, a group that works with local governments to improve and expand Web access.

“State legislators are writing rules that make it nearly impossible for local communities to build their own broadband,” she added. “That’s a model for ensuring extended profit off of an investment.”

Another challenge any new broadband provider faces is access to communications towers, which are usually owned by large telecommunications companies like Verizon and AT&T, local utility companies or both. Even if the owners allow access, they can block or slow a new network by delaying or complicating work on the poles.

Google, for instance, launched its super-fast Fiber program in 2010 and despite the company's massive cash resources, it has struggled to access towers.

In some cases, the end result of such barriers is that communities are left with no way of connecting to the Internet, Mitchell said.

To remedy the problem, local governments can launch municipal broadband networks that offer services the same way that Comcast or AT&T might, sometimes leveraging public-private partnerships.

Such initiatives can prove contentious, however, placing business leaders and local lawmakers at odds with each other, as happened in North Carolina.

In 2011, the state's General Assembly passed a bill that drastically limited the ability of local government to develop broadband networks. Its sponsors and cosponsors received thousands of dollars in campaign contributions from AT&T, Time Warner Cable and CenturyLink.

Four years later, Wilson, N.C., teamed with Chattanooga, Tenn., in asking the Federal Communication Commission to preempt state laws that restricted their networks from growing beyond city limits. The FCC agreed, allowing Wilson's Greenlight Community Broadband Network to offer services in Pinetops, which at the time had only one provider: CenturyLink.

Craig, who recalls CenturyLink billing her for high-speed Internet access, said the service rarely lived up to its description. When she heard Wilson's Greenlight service was moving into Pinetops, she immediately decided to switch.

Once Craig's home was connected to the Wilson network, the difference in speed was so significant there were times she would work from her residence.

"You don't really know how slow your internet is until you have really good Internet," she said. Higher Internet speed improves efficiency, she said, "and efficiency, in our job, is money."

Her satisfaction would be short-lived. Since Greenlight was a municipal provider, its service was conditioned on no other private providers entering the market. When Suddenlink, a St. Louis, Mo.-based company decided to move in, Greenlight had to leave.

Craig and other Greenlight customers in Pinetops must now switch to the new provider or return to CenturyLink.

CenturyLink, for its part, said it supports cooperation between municipalities and existing service providers and works with local leaders and policymakers to bring broadband service to more Americans.

"We are also open to working with other Internet providers," a spokeswoman said.

Steube accused of impropriety for federal lobbying

Republican congressional candidate Greg Steube is facing criticism over alleged "impropriety" stemming from his work as a federal lobbyist.

Steube, a Sarasota attorney and state senator who served in the Florida House before moving to the Senate in 2016, filed paperwork in 2017 indicating his company — Legal Strategies & Consulting, PL — was lobbying the federal government on behalf of Sarasota County and two distilleries, Drum Circle Distilling in Sarasota and St. Augustine Distillery.

Records indicate Steube worked in 2013, while he was a member of the House, to help his old law firm, Becker & Poliakoff, secure the contract to lobby the federal government on behalf of Sarasota County. Steube's campaign said he then acted as a consultant for Becker & Poliakoff on the Sarasota County lobbying contract when he left the firm. Steube's state Senate district includes all of Sarasota County, and his House district included a portion of the county.

Venice state Rep. Julio Gonzalez said Steube's lobbying raises questions of "impropriety." Gonzalez is Steube's leading challenger for the District 17 congressional seat now occupied by Gonzalez. Gonzalez noted that the two distilleries Steube lobbied for benefited from legislation Steube sponsored in the House, and he argued that Steube shouldn't have received money to represent Sarasota County on federal issues, saying it is part of his job as a state lawmaker.

"Anytime that an elected official serves as a lobbyist, it is worthy of scrutiny," Gonzalez said.

"But what makes this a big deal is that his two major groups of clients are one, the county he is supposed to be representing, anyway — which brings up issues of impropriety all over the place — (and) the other group of clients, seems to be the same clients for whom he ran a bill that was successfully passed by Representative (Chris) Sprowls."

"The more grievous event here is him accepting tax dollars to represent Sarasota County before the federal government while he is still a sitting member of the state legislature," Gonzalez added. "I would argue that falls under his duties as a state legislator."

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Steube denied any impropriety.

“This is just another false attack from my opponent, Julio Gonzalez, who is trying to distract from his record of being a #NeverTrumper,” Steube said in a prepared statement. “After I left the firm, the firm hired me as a consultant and in an abundance of caution I registered to comply with Federal law.

“Sarasota County has never paid me nor my law firm Legal Strategies & Consulting. They hired Becker & Poliakoff who still represents them.”

A statement from Campaign Manager Alex Blair, noted, “When Senator Steube started his own practice in 2017, there were some clients he continued to consult with from his former law firm, requiring him to file a federal disclosure until the end of the year.

“Senator Steube filed a federal termination report at the end of 2017 and as of January 1, 2018, no longer represents those clients.”

Sarasota County put out a request for qualifications as it considered changing lobbying firms in 2013. The county had been represented by Holland & Knight, but Steube sought to persuade county officials to switch to Becker & Poliakoff.

Steube wrote the cover letter for the firm’s response. He noted that Amanda Wood, a former legislative director for former Sen. Bob Graham, would lead a team of four federal lobbyists but said he would act as the local liaison.

Becker & Poliakoff was awarded a three-year, \$120,000-a-year contract, with two one-year renewal options in 2014. It was renewed once then put out for bid again, with Becker & Poliakoff receiving a contract with the same terms in 2018.

Robert Lewis, director of community and intergovernmental relations for Sarasota County, said Holland & Knight had been serving Sarasota County’s lobbyist for almost eight years, when it was decided to put out a new request for qualifications.

“I felt it was important for services like this, to seek proposals and go through the procurement process, not just simply renewing,” Lewis said.

Submissions went through the normal procurement process, and Becker & Poliakoff was the top-ranked respondent.

Lewis said that Steube was never a liaison between the county and the law firm.

“Day-to-day contact with Becker & Poliakoff was at that time, Amanda Wood,” Lewis said.

Lewis also stressed that at the time Becker & Poliakoff received its second contract, Steube was no longer with the firm.

The lobbying contract raises the question of whether Steube’s status as an influential state lawmaker who could help the county with budget requests and other legislative priorities played a role in his firm securing the contract, but Sarasota County Commissioner Charles Hines said Steube’s affiliation with Becker & Poliakoff carried no weight in the decision to switch firms. Hines said the firm was chosen because of its Washington contacts.

“It didn’t affect my decision,” Hines said. “There was no pressure from anybody.

“We were looking at résumés and deciding which one would be the best for us.”

[**Virginia lobbyist defends a client in unexpected way: by saying no to politicians**](#)

Sure, Virginia may be a high-tech, politically evolving flag-bearer of the New South. But a recent tiff between lawmakers and one of the state's top lobbying firms shows the old ways will go down fighting in Mr. Jefferson's Capitol.

Last month, someone representing a Democrat in the House of Delegates approached the law firm of Hunton Andrews Kurth about getting a campaign contribution. And the firm, a 1,000-lawyer outfit based in Richmond with offices all over the world, had an unexpected reply: It said no. The company's top lobbyist said it was defending the honor of one of its clients.

This is what happens when the old code smacks into a new style of politics.

Formerly known as Hunton & Williams, the law firm has given nearly \$400,000 to Virginia candidates since 2016 — an equal amount to Republicans and Democrats, according to the nonpartisan Virginia Public Access Project.

But a dozen of the new Democrats elected to the House in last fall's blue-wave elections pledged not to accept contributions from one of Hunton's clients — Appalachian Power Co.

The Democrats had campaigned on pushing back against the political power wielded by the state's monopoly electric utilities, which include not only Appalachian but also the far larger Dominion Energy.

Appalachian serves about 1 million customers in the poorest regions of Southwest Virginia, while Dominion is the state's largest utility and its most generous corporate political donor. It shepherded a bill through the General Assembly this year that gives it and Appalachian Power enormous latitude to reinvest excess profits instead of returning them to ratepayers.

The Democrat seeking some fundraising help from Hunton last month — party officials would not identify the delegate — happened to be one of the signers of the pledge, which condemns the utilities for chasing profits against “the interests of everyday Virginians.” Hunton viewed that language as besmirching its client. So it told the House Democratic Caucus that it would not welcome requests for contributions from any of the signers.

“We just didn't feel comfortable responding to requests from legislators for contributions . . . when they had signed that pledge that basically says we have a client that's corrupt,” said Whittington W. Clement, a former Democratic state delegate who heads Hunton's government relations group.

Clement said the stance has nothing to do with the politics of the signers. “It's based solely and totally on client loyalty,” he said.

A spokesman for Appalachian Power said the company never asked Hunton to take that action. Several Democrats said it was the first time they had encountered such a reaction — although Clement said the firm did the same thing a few years ago when another lawmaker disparaged Appalachian.

The House Democratic Caucus, whose members are split on the issue of taking money from the utilities, played down the dust-up. “It wasn't in an intimidating manner at all that [the firm] relayed the message to us,” said caucus spokeswoman Kathryn Gilley. It was caucus executive director Trevor Southerland who had approached Clement about the contribution in the first place.

Southerland sent a memo to caucus members advising them of the law firm's stance.

“We’re in uncharted territory here,” said Del. Sam Rasoul (D-Roanoke), the one veteran lawmaker who had signed the no-utility pledge. Rasoul has gone one step further and renounced money from all corporate special interests.

He viewed the Hunton position as a reaction to the mounting threat posed to the old order in Richmond by a new generation of lawmakers bent on resisting corporate influence. “The special interests are trying to push back in different ways,” he said.

Freshman delegate Chris Hurst (D-Montgomery) did not sign the pledge, but also has not taken any money from either Appalachian or Hunton Andrews Kurth. “We’re in a pretty dynamic time where a lot of the customs and procedures for the way things have been done are starting to be reevaluated,” he said. “I’m of the opinion that we should take money out of politics as much as possible.”

One step at a time, though — especially in a state with some of the nation’s loosest campaign finance laws. Clement said Hunton Andrews Kurth will still gladly broker contributions for any delegate from any of its other clients.

And when the Democrats convened at the Homestead resort for their annual retreat last month, both Dominion and Appalachian were among the corporate sponsors, with lobbyists there to press the flesh.