MULTISTATE

Former House Speaker Bosma registers as a lobbyist (Indiana)

Brian Bosma, the former speaker of the Indiana House of Representatives, is now a registered lobbyist in Indiana, but said he isn't planning to spend much time hanging out in the halls of the Statehouse.

Bosma said he will be active in his role as a senior consultant and partner for Brownsburg-based 1816 Public Affairs Group LLC in the coming 2022 legislative session, but his focus will be more on helping clients navigate the legislative waters than persuading lawmakers.

Bosma, a Republican, stepped down from his seat in the Indiana House in July 2020 after holding it for 34 years, with 12 of those as House speaker, making him Indiana's longest-serving speaker to date. He was the top House Republican as either speaker or minority leader for almost two decades from 2001 to 2020.

Following his retirement from the House, Bosma joined 1816 Public Affairs as a senior consultant. But he was not a registered lobbyist, observing the state's ethics statute mandating a one-year cooling-off period before a former lawmaker can lobby former colleagues, a law Bosma co-sponsored and helped pass in 2010.

Political consulting is allowed under the statute, just no lobbying or advocating directly with legislative personnel about legislative decisions, Bosma told IBJ.

During his one-year "cooling off period," Bosma said he strictly kept his role to consulting with the lobbyists at 1816 and their clients on a number of issues he had knowledge in. He was "exceptionally careful" to not violate the statute, he said.

"When firewalls were needed, I just did not contact any legislators about legislative decisions. I was very careful not to do that," Bosma said.

Now that the year is up, he can reach out to legislative personnel, staff and legislators to advocate on behalf of a number of 1816's clients "when the time is right," he said.

Bosma's primary focus remains on the increasing responsibilities he has at the law firm where he is a partner, Kroger Gardis & Regas LLP. He won't be back at the Statehouse on a regular basis, he said.

"I don't expect to be hanging out in the halls over there. But, you know, I may darken the doors occasionally to sit down and have discussions with legislators," Bosma said.

1816 is an Indianapolis-based multi-client lobbying and association management firm. Bosma said he uses his 34 years of experience "in the trenches" of the Legislature to provide realistic guidance to clients who might not know how processes work in the Statehouse.

"That's an area where I can excel and also advise as to how chairmen handle various committees—you know, who's not appreciative of amendments, who the right people might be to approach on issues on both sides of the aisle," Bosma said.

He said his main interests are working with clients in the education arena, economic development matters, construction or the food and beverage sector, to name a few.

Some of 1816's clients are in the gaming industry, including Spectacle Entertainment, and sports betting companies FanDual and DraftKings, according to filings on the Indiana Lobby Registration Commission's public dashboard.

Bosma said he will "probably not get deep into pro-gaming issues," because of his historical involvement. He might work on strategy for clients in the gaming sector, when it's appropriate.

Bosma's recent history with the gaming industry dates to the 2019 legislative session when he recused himself from voting on major gaming legislation that gave Terre Haute a casino license and allowed two lakeside casinos in Gary, owned by Spectacle, to combine and move inland.

His law firm, at the time, was contacted by an investor in Spectacle and Terre Haute businessman Greg Gibson to provide legal services to the Vigo County Capital Improvement Board.

The Terre Haute casino venture, and Spectacle, have been the center of controversies since then. The Indiana Gaming Commission forced two top executives to give up their ownership stakes in the project last year amid investigations into allegations of financial wrongdoing, and later pulled the license for the Terre Haute casino away from the operators they had previously been involved with.

Pa. lobbyists disclose some financial interests for first time but details are 'very nebulous' (Pennsylvania)

Lobbyists and lobbying firms are for the first time disclosing their financial interests in companies for which they lobby, offering a rare new look at the money and influence flowing through Pennsylvania's Capitol.

Among their holdings?

Apple. Exelon. Comcast. Pfizer. Las Vegas Sands casinos.

Lobbyists have disclosed their interests in these and many other clients — from major pharmaceuticals to household names in energy, technology and finance — in newly required public filings called "equity reports."

The disclosures are billed as a step toward transparency. But their format is haphazard and, arguably, useless, according to a Caucus analysis and interviews with advocates and others who have reviewed the filings.

Amid a narrow reporting period and few guidelines, lobbyists interpreted the new requirement in a variety of ways. Some listed the number of shares they hold or a percentage of the company they own. Others listed just a dollar figure or a number without any further context.

The reports also don't necessarily reveal anything groundbreaking or untoward, said Michael Pollack, executive director of the good-government group March on Harrisburg, whose signature issue is imposing a gift ban between lobbyists and legislators.

Lobbyists are already required to disclose their clients, and thus already disclose that they have a financial tie to the same companies that the new information reveals.

"It doesn't seem like a conflict of interest for a lobbyist to be representing Comcast and have some stake in Comcast," Pollack said. "That's not a conflict of interest. That is your interest."

Both activists like Pollack and Harrisburg- area lobbyists want to see changes to the disclosures.

Legislators on both sides of the aisle are already supporting stricter measures. The idea for the equity reports, implemented quietly in a state budget bill in the summer, was originally part of a 12-bill package on comprehensive lobbying reform.

The House State Government Committee, meeting in late October, amended and passed the entire package, including an additional gift-ban measure. The approval sets up a House floor vote, and then an uncertain fate in the Senate.

What the reports say

There are more than 1,230 registered lobbyists and firms in Pennsylvania. More than 130 of them disclosed equity in their clients, according to data from the reports made public by the Department of State.

The majority of those 130 appear to be in-house lobbyists for major corporations.

For example, David Kerr, president of AT&T Pennsylvania, listed his equity in AT&T as $95,161.

Joseph Gianni, a Bank of America executive and lobbyist based in Hartford, Connecticut, listed his equity in the country's second-largest bank as just, "<1%."

Others appeared to go as small and incremental as possible.

Timothy Miley, an in-house lobbyist for Gilead Sciences and who is also based out of state, listed equity in the company as "0.000057%."

Josh Motzer, a Columbus, Ohiobased corporate lobbyist for Lumen Technologies, reported his interest in the telecommunications company as, "0.00069357798%."

These kinds of disclosures are, essentially, "not helpful," said state Rep. Jared Solomon, a Philadelphia Democrat and lawyer who reviewed the data.

The Department of State has defined "equity," but the law's vague explanation of it allows for "very nebulous" reporting — essentially a list of names with mostly small percentages of companies that leave the public wondering, "OK, what does that mean?" Solomon said.

He said it may not even be a full accounting of lobbyists' financial interests, as some lobbyists may not have known exactly what to report.

Beyond the in-house corporate lobbyists, only a small portion of those employed by big-name lobbying firms reported any equity at all.

Nine of the 16 lobbyists who filed reports from Long, Nyquist & Associates — one of the area's most influential firms — reported holding equity in clients.

Todd and Noel Nyquist, filing separately, reported the most: 650 shares of Comcast, 450 shares of Exelon, 500 shares of Takeda Pharmaceutical, 250 shares of Las Vegas Sands, 400 shares of Royal Dutch Shell and more. Others in their firm, including Mike and Amy Long, reported shares in some of the same companies. Other Long Nyquist lobbyists reported nothing at all; they include former state Republican Party Chairman Bob Asher and former U.S. Rep. Tom Marino.

Another major Harrisburg firm that reported equity was Malady & Wooten. All nine of its lobbyists reported the same 10 investments — all "less than 0.01%" in companies including Exxon Mobil, Comcast, PNC, FedEx and Churchill Downs.

Other high-profile firms with multiple lobbyists reported nothing. Those include: all four lobbyists at Maverick Strategies (led by Ray Zaborney), all six lobbyists at Allegheny Strategy Partners (headlined by former Senate President Pro Tempore Joe Scarnati), and all 28 lobbyists who worked for The Bravo Group during the reporting period.

Meaningful disclosures?

The annual equity reports became the law of the land during the 2021-22 budget negotiations. At the time, spokesmen for the Republican leaders in the House and Senate said only that it was a "good starting point" and a way to get a new transparency measure "on the books as soon as possible."

But it was "unclear what problem the bill (was) attempting to solve," Judy Eschberger, a lawyer with the Pennsylvania Association for Government Relations, said in a House hearing in September.

The equity lobbyists hold in companies they work for is often "negligible" and could be part of their compensation package or retirement plan, perhaps unknowingly to them, she said.

Justin Fleming, president of the Pennsylvania Association for Government Relations, said in an interview, "We just want to know what our responsibilities are and comply."

But a better way to do it, he said, might be to instead use the statements of financial interest that public officials already must file annually. Those forms, serving as a broader report of personal financial holdings, “would be a better gauge of what they (the Legislature) would like to be and capture as opposed to an equity report,” Fleming said.

As it happens, the lobbying association’s lobbying on that point — and several others — has already impacted the lobbying reform package.

The original bill establishing equity reports, House Bill 1601, was amended and passed out of the House State Government Committee with language that would require statements of financial interest from lobbyists instead of equity reports.

The statements would in some ways require lobbyists to report more information and in other ways report less.

They’d have to report their creditors, sources of income (without specific dollar amounts), gifts and financial interests in any for-profit businesses (with a percentage of that interest). It would not require — as the equity reports seem to do now — reporting of stocks.

The only time stocks ever need to be reported on statements of financial interest is if the individual sells and it becomes income exceeding $1,300, Ethics Commission Chairman Rob Caruso said. Such disclosures are rarely made by legislators on their annual statements of financial interest, but it’s common among members of Congress.

“What you’re relying on is how honest is the filer,” Caruso said. “Someone could sell stock and we would never know it.”

Ideally, Solomon said, the way to make it meaningful would be to require far more specific reporting across the board, not just about the financial interests but also about how lobbyists spend their time.

What the public wants to see is full disclosures of gifts, meetings or calls between lobbyists and legislators and then the percent interest the lobbyist has in that particular issue or company, he said.

“You would need to be very intentional about it,” Solomon said. “If we did that, you’re going to get some very interesting reporting that shines a light on business in Harrisburg.”

Closing the gap

Pollack, the March on Harrisburg activist, said while the equity reports leave something to be desired, it's always helpful to know lobbyists' economic interests and connections as they conduct their business at the Capitol.

"It helps us paint a better picture of how Harrisburg operates and how much money is swirling around and how much is at stake here," Pollack said.

His group has pressured lawmakers for years to enact a law banning them from accepting gifts from lobbyists and others. Gov. Tom Wolf implemented such a ban for executive branch employees in 2015; legislators have reported tens of thousands of dollars worth of gifts every year since then.

And as the March on Harrisburg group points out, what legislators report is still only a small fraction of the overall giftgiving from lobbyists and the companies they represent.

A report from the House Government Oversight Committee acknowledged major discrepancies in a report in 2019 when it was led by Republican Rep. Seth Grove. The loopholes in the current giftreporting thresholds for both public officials and lobbyists "result in a substantial skewing of the public's perception of money actually spent on public officials and employees," it read.

For example, state officials and employees reported $39,262 in gifts and hospitality in 2018. But in reality, the total amount reported to the Department of State by lobbyists and principals was nearly $1.5 million. And still that did not capture everything, the report stated.

Two years after Grove's report, several bills aimed at closing that gap were passed out of committee and are expected to get floor votes with support from House Republican leaders. An amendment to implement so-called "dollarone- reporting" — requiring principals to report the cost of every interaction with public officials instead of only when they reach a higher $3,000 threshold — is one of the keys to that.

The elusive gift ban bill is another. The legislation would prohibit lobbyists from paying for lawmakers' transportation, lodging, recreation or entertainment and would ban gifts worth more than $250 per year. It would not prohibit lobbyists from paying for lawmakers' food and drinks.

“There should be a 100% prohibition on gifts, period,” Republican Rep. Frank Ryan said during the committee vote as he and other members called for strengthening the bill even further on the House floor.

Solomon, the Philadelphia Democrat also on the committee, said there are glaring loopholes in the gift ban bill.

One “that you could drive a truck through,” he said, is about the simultaneous lack of strict campaign finance laws in the state. Maybe a lobbyist couldn’t hand out Eagles tickets any more, but there would be nothing stopping them from making a campaign contribution to cover the cost of those tickets instead.

“Whether it’s lobbying misdeeds or gross campaign violations, it all goes back to the addiction in our political class to money and manpower,” Solomon said. “That’s what the adrenaline is that drives politics.”

PACs tied to controversial Missouri lobbyist scramble to account for missing cash (Missouri)

A pair of political action committees connected to a Missouri lobbyist under FBI scrutiny have begun taking steps to account for nearly $170,000 in cash that went unreported on disclosures to the state ethics commission.

The discrepancies with PACs connected to Steve Tilley, a former lawmaker and longtime adviser to Gov. Mike Parson, were first documented last month by the St. Louis Post-Dispatch’s Tony Messenger. He found that the PACs reported cash balances in early 2021 that were significantly lower than the total reported at the end of 2020 without any corresponding spending to explain the decrease.

Since Messenger’s report, one of the PACs — MO Majority PAC — has filed amended reports with the state ethics commission documenting additional spending. The largest new expenditure appears to be $75,000 worth of shares the PAC says it owns in a Perryville-based bank called Reliable Community BancShares.

Tilley has done this before, using leftover funds from a campaign committee he established during his legislative career to buy $900,000 worth of shares in the same bank in 2011.

In 2020, Reliable Community BancShares acquired Bolivar Bancshares Inc.

MO Majority PAC also reported a number of contributions that it had previously left off its disclosure forms.

For example, its revised disclosure report for the last quarter of 2020 reports 18 contributions to candidates and committees that were previously unreported, totaling around $20,000.

Though the donations didn't show up on MO Majority PAC's original disclosure reports, the candidates who received them appear to have included them on their filings with the ethics commission.

The other PAC highlighted by Messenger's story, called Missouri Growth PAC, has yet to file any amended disclosures.

Tilley is also connected to at least four other political action committees — Missouri AG PAC, Missouri C PAC, Missouri Senior PAC and Conservative Leaders of Missouri. Each are bankrolled by Tilley's clients, and regularly donate to myriad candidates of both parties.

The practice of funneling money through his PACs to political candidates has drawn scrutiny in the past by federal investigators.

In 2017, one of Tilley's clients, Gardner Capital, donated to four of his PACs. Those PACs then made donations that combined to total $10,000 to Independence Mayor Eileen Weir.

Just days after the donations, Weir and the city council voted to spend nearly $1 million to buy a golf course for a solar farm in a joint venture with Gardner Capital. The money used to purchase the golf club came from another Tilley lobbying client, the city's utility, Independence Power & Light.

Tilley would later go on to represent the company that sold the golf course to the city.

Numerous officials in Independence would subsequently report being questioned by the FBI about the donations and the contract, though everyone involved denied any wrongdoing.

More recently, a pair of companies suing the state to block a crackdown on unregulated slot machines combined to drop $350,000 Tilley's six political action committees.