



M U L T I S T A T E

[Madigan wins latest round in suit alleging sham candidates](#)

Democratic Illinois House Speaker Michael Madigan won a federal court victory in Chicago on Saturday as he worked on wrapping up the pandemic-shortened legislative session in Springfield.

U.S. District Judge Matthew F. Kennelly denied a motion asking for him to reconsider his August decision to toss out a lawsuit that contended Madigan conspired to put up two “sham” candidates with Hispanic names to confuse voters in a 2016 Democratic primary.

The suit was brought by Jason Gonzales, who soundly lost to the speaker in the primary contest but cried foul over the two last-minute candidates who filed to join the ballot.

In his Saturday decision, Kennelly said Gonzales’ motion for reconsideration amounted to re-arguing points the judge already had considered and rejected, as well as other matters that were not the “proper basis for reconsideration.”

Madigan spokeswoman Eileen Boyce said the judge’s ruling “just reaffirms that Mr. Gonzales had his opportunity to make his case to the voters, and he lost overwhelmingly. Speaker Madigan remains focused on working to protect the people of the 22nd (House) District, especially during these challenging times.”

Gonzales attorney Stephen Boulton said he would file an appeal Tuesday. Gonzales had sought damages of up to \$2 million.

In his original ruling last year, Kennelly called it “undisputed” that some members of Madigan’s political organization worked to put the two additional candidates on the ballot and wrote that the “evidence supports a reasonable inference that Madigan authorized or at least was aware of the recruitment effort.”

But Kennelly noted that Gonzales made the allegations of Madigan's "deceptive tactics a central issue in his campaign" and news outlets publicized them. Kennelly said the publicity "placed the alleged misconduct squarely within the political realm, enabling voters to rebuke Madigan by electing his challenger" and, citing case law, dismissed the suit.

Madigan has seen his legal costs rise lately. He spent more than \$445,000 in campaign funds during the closing months of 2019. That included a \$275,000 settlement with a former campaign worker, ongoing civil cases and routine staff training, a Madigan spokeswoman said at the time.

Several of Madigan's political associates have attracted scrutiny from federal prosecutors. The Tribune reported in December that federal authorities have asked questions about Madigan and his political operation as part of an ongoing investigation, according to four people who have been interviewed.

The sources, all of whom requested anonymity, said FBI agents and prosecutors asked about connections between Commonwealth Edison lobbyists and Madigan, lobbyists giving contracts to people tied to the speaker, and city, state and suburban government jobs held by his associates.

They also said authorities had numerous questions about the speaker's relationship and dealings with longtime confidant Michael McClain, a former ComEd lobbyist.

[Blind spot: Lobbying behind California coronavirus contracts can stay secret](#)

A common thread runs through at least four of the companies Gov. Gavin Newsom has tapped to help respond to the coronavirus pandemic: a Sacramento lobbyist named Mark Weideman.

His firm represents BYD, an electric bus maker that landed a [\\$1 billion contract to produce medical masks](#) for California; Bloom Energy, which the state is paying \$2 million [to refurbish ventilators](#); Blue Shield, the health care behemoth that dominates the [task force Newsom assembled to increase testing](#) for COVID-19; and NextGen America, the progressive advocacy group headed by Tom Steyer, whom Newsom named as the [co-chair of his economic recovery team](#).

Those four organizations paid The Weideman Group a combined total of \$663,000 last year to lobby before the Legislature and the Newsom administration, according to disclosure reports lobbyists file with the state. The detailed reports show not only that the companies paid Weideman's firm, but also how much they spent on associated publicity campaigns and which

government officials they wined and dined as they lobbied. California law recognizes that such disclosures advance transparency about the influences on state government.

But whether these companies — or any others — paid Weideman or other lobbyists to help them secure government contracts is an unanswered question. That's because California law, despite all the disclosures it demands from lobbyists, doesn't require they report procurement work — including the \$3 billion committed so far to masks, ventilators and other supplies related to the coronavirus pandemic.

As California has signed hundreds of no-bid procurement contracts over the last two months, the public has very little information about the players involved in landing these deals and how much they are being paid. No lobbyist has been publicly accused of wrongdoing in connection with these contracts. But the way the law is written leaves the public in the dark about who's influencing how the state spends tax dollars during a pandemic that has killed more than 3,300 Californians.

“Regardless of the emergency nature of what we're facing, the public always needs to know that its dollars are being spent in the most efficient manner, that they're not being overcharged for something,” said Rich Gordon, a former Democratic assemblyman from Menlo Park who unsuccessfully tried to change state law to require lobbyists to disclose procurement clients.

“Having information to know whether there was a salesman knocking on the door, I think is helpful.”

[Gordon's bill](#) sailed through the Legislature in 2016, with lawmakers and public interest groups touting its increased transparency. But then-Gov. Jerry Brown's finance department said the measure would create new costs to process paperwork, and the Fair Political Practices Commission, which regulates lobbyists, argued that it wasn't set up to monitor who gets government contracts. Brown quashed Gordon's bill with a terse veto:

“Given that the laws regulating state procurement are voluminous and already contain ample opportunity for public scrutiny, I don't believe this bill is necessary,” he wrote.

The normal rules for procurement create a process meant to ensure fair competition and judicious spending of public funds. The state's request for bids must be publicly advertised with criteria that are not too limiting. Companies submit bids that the state keeps confidential until a specific time. Then, all the bids are opened at once and become public records. The state is supposed to pick the lowest responsible bidder.

But all those rules are scrapped during an official state of emergency, which Newsom declared on March 4 due to the pandemic. As the state has scrambled to secure medical supplies, lawmakers have questioned whether Newsom's administration is sufficiently vetting contractors and being open about what the contracts entail.

In late March, the state [wired \\$457 million for masks](#) to Blue Flame, a company two political operatives had formed just three days earlier. The state treasurer scrambled to get the money back within hours after [bankers involved in the transaction warned that it might be fraudulent](#). Then Newsom signed a \$1 billion contract to buy masks from BYD in April, but refused to make the contract public for a month, arguing that releasing the details could threaten delivery of the masks.

“As the conversations are coming up, the underlying root issue is about transparency and sunshine as to what's going on: what are the contracts and who is working to get what?” said Assemblyman Adam Gray, a Merced Democrat.

At a recent hearing about the state's procurement of medical supplies during the pandemic, Gray questioned whether California should change the law to require disclosing whether lobbyists are involved when companies land government contracts.

“Absolutely,” replied state Treasurer Fiona Ma, a fellow Democrat. “Any measures that seek to create more transparency, especially in public contracting, I think is always the right course of action.”

Following pressure from lawmakers and the press, Newsom recently put many of the pandemic-era procurement contracts on a [public website](#). Most of them don't name lobbyists involved in the transactions.

But one contract — a since-canceled \$800 million deal to buy masks from a company run by the former attorney general of Alabama — lists Sacramento lobbyist Paul Bauer as the vendor's contact. He was a partner at a prominent lobbying firm, but parted ways with Mercury Public Affairs after [the Los Angeles Times reported](#) that Bauer was representing the mask vendor without bringing it on as a client of his firm.

Bauer declined to comment for this article beyond saying he had enjoyed the decade he spent at Mercury.

Given the magnitude of some government contracts, the potential exists for lobbyists to make huge money on them, by charging a contingency fee if the procurement deal is successful. While

there is no set rate, a relatively standard 2% commission on a \$600 million contract, for example, would be \$12 million.

It's another area where state law treats lobbying for procurement differently from lobbying on legislation. Lobbyists are not allowed to charge such a "win fee" when they represent clients on legislative or budget matters. The typical arrangement is a retainer of thousands of dollars per month.

Some lobbyists who work in both arenas say procurement work should be treated differently because it involves a completely different skill set dealing with government employees and a bureaucratic process — not the politics of navigating 120 elected legislators.

"If you're hiring me to help you with your procurement, you're hiring me as a consultant based on what I know about how to approach government, not my contacts," said lobbyist Paul Gladfelty.

"It would be a rare situation where a procurement contract was based on who somebody knew."

Weideman, the lobbyist whose clients are involved in many aspects of Newsom's pandemic response, did not return calls for this story. A spokesman for BYD, the electric bus manufacturer that is making medical masks for California, said the company follows all disclosure rules. He said he didn't know if Weideman was involved in procuring the \$1 billion contract.

"My assumption is that it's because we are the largest manufacturer of (protective equipment) and we can guarantee delivery of it, which is a not insignificant point," said Frank Girardot, spokesman for BYD America.

"We did a lot of publicity around that... well before any contract was signed."

Campaign finance records show that some of Weideman's clients wrote big checks to support Newsom's gubernatorial run in 2018. Blue Shield and the California State Council of Service Employees each donated about \$1 million to an independent campaign supporting Newsom.

Other Weideman clients have donated amounts more typical of large companies with a presence in the state: Bloom Energy has given Newsom \$60,000 over the last two years, while BYD's owner has donated \$40,000.

In March, Newsom publicly touted his relationship with Bloom Energy's CEO, KR Sridhar, as the state ramped up its stock of ventilators in anticipation of mass hospitalizations due to COVID-19.

"We reached out to KR," Newsom said during a press briefing on March 21. "KR said, 'What do you need? We're ready to go.'"

Newsom said they hashed out an agreement for Bloom Energy to refurbish ventilators the state had been storing for years, at a pace much faster than the manufacturer could.

Within a week, Newsom [toured the Bloom factory in San Jose](#), and California handed the company [a no-bid contract](#).