



M U L T I S T A T E

[\\$352K used to avoid prosecution could go to fight SC State House corruption](#) (South Carolina)

[Special prosecutor David Pascoe](#) said Thursday he wants to give \$352,000 that his investigative team collected from five powerful organizations including the University of South Carolina to the S.C. Ethics Commission.

The money is from five separate corporate integrity agreements Pascoe and his team made during his nearly seven-year investigation of questionable lobbying practices and secret payments to lawmakers in the the S.C. General Assembly.

Pascoe made known his intentions about the money, which for several years has been untouched in escrow accounts, shortly before noon Thursday at the Richland County courthouse.

There, during a brief hearing before Judge Robert Hood, Pascoe submitted an eight-page memo about what to do with the money to the judge.

“The five corporations are AT&T, Palmetto Health (now part of Prisma Midlands), SCANA, the University of South Carolina, and the South Carolina Association for Justice (a trial lawyers’ group). In total, the agreements provide for payments totaling \$352,000, among other conditions, in exchange for the State’s promise not to proceed with criminal charges,” Pascoe said in his memo.

Under the corporate integrity agreements, those groups agreed to pay the state varying amounts of money but admitted no wrongdoing. In return, Pascoe promised not to prosecute them.

Under a January S.C. Supreme Court decision, it is up to Hood — as current presiding judge of the State Grand Jury — to decide what to do with the \$352,000.

Corporate integrity agreements are used by both state and federal prosecutors around the country. Instead of investigating and prosecuting a company that is suspected of questionable

practices, the prosecutor and the company sign an agreement in which the company agrees to operate ethically, pay a sum of money and — at the same time — admits no wrong-doing.

Referring to the agreements as “non-prosecution agreements,” Pascoe told Hood that “These agreements are a huge victory for our state” and “brought an unprecedented level of accountability” to lobbying actions in the General Assembly.

Pascoe told Hood that, although enough evidence likely existed to get a state grand jury to issue indictments for unlawful lobbying practices against the five entities, it would have been tough to gather enough evidence to convince a jury in a trial “beyond a reasonable doubt” of the charges, had the cases gone to trial.

It was only after consulting with the State Grand Jury and its presiding judge at the time, Clifton Newman, that he decided on corporate integrity agreements, Pascoe told Hood.

Difficulties with bringing a full-fledged criminal case against the companies would have included proving criminal intent, statute of limitations issues and “the enormous costs of years of protracted litigation” for minimal fines that were likely to be no more than \$2,500, Pascoe said.

“The alternative (to the agreements) was to look the other way, which would have continued the cycle of apathy and lack of transparency which are our state’s biggest problems in fighting corruption,” Pascoe told Hood.

Payments made in the corporate integrity agreements were \$30,000 from the Association for Justice; \$60,000 from AT&T; \$100,000 from Palmetto Health; \$72,000 from SCANA; and \$90,000 from the University of South Carolina, Pascoe told Hood.

The size of the payments were based on the amount of money those groups paid Richard Quinn Sr.’s consulting firm over the years “to do their bidding up at the State House,” Pascoe told Hood.

The Quinn firm was known for its superb connections with South Carolina politicians, but it was not registered as a lobbyist. In 2018, the Quinn firm paid a \$2,500 fine and \$3,000 in restitution for failing to register as a lobbyist. That firm’s leader, political consultant Richard Quinn Sr., still faces perjury charges tied to his testimony before the State Grand Jury.

Pascoe, who is also the elected solicitor of the 1st Judicial Circuit, said although his office had considerable expenses — at least some \$238,000 — during his multi-year investigation of

General Assembly corruption, “not a penny (of the corporate integrity agreement money) has been touched.”

“We are waiving any right to those funds, but we are requesting those funds be directed to the S.C. Ethics Commission — the agency tasked with oversight of lobbying activities,” Pascoe said.

Corporate integrity agreements were only one feature of Pascoe’s wide-ranging investigation into public corruption in the S.C. General Assembly.

In his nearly seven-year probe of the General Assembly, Pascoe and his team of investigators from the State Law Enforcement Division won guilty pleas against former House Speaker Bobby Harrell, R-Charleston; former House Majority Leader [Rick Quinn Jr.](#), R-Lexington; former House Majority Leader [Jim Merrill, R-Berkeley](#); and former Senate President Pro Tempore [John Courson](#), R-Richland, who has not been sentenced. Harrell, Merrill and Quinn Jr. all resigned from the General Assembly and pleaded guilty to misdemeanors. All received probation.

Former Rep. Jim Harrison, R-Richland, who had been chair of the powerful House Judiciary Committee, fought charges in court and was convicted. Though the Supreme Court later overturned a misconduct charge against him, saying Pascoe was out of his jurisdiction in bringing that charge, the high court upheld a perjury charge and Harrison’s prison sentence.

During the course of the probe, Pascoe’s team, which also included prosecutors from his 1st Judicial Circuit Solicitor’s Office, was aided by the State Grand Jury, which has broad subpoena powers, to get financial records from places such as banks.

The remaining business from the probe includes Courson’s sentencing and the prosecution of former state Rep. Tracy Edge, R-Horry, and Quinn Sr. No date has been set in any of the cases.

State Attorney General Alan Wilson has turned those cases over to Spartanburg County Solicitor Barry Barnette, who will now act as special prosecutor.

[College Station City Council opposes anti-lobby legislation](#) (Texas)

The College Station City Council is taking a stance against Senate Bill 10, Senate Bill 234 and House Bill 749 in the Texas Legislature out of concern about how the pieces of legislation could limit the city’s ability to lobby for its interests.

Last week, council members unanimously approved a resolution opposing the three items. Senate Bill 10 was the focus of much of the discussion at Thursday night’s council meeting, as it

would prohibit a city or county from spending public funds to try to influence the outcome of pending legislation. Brian Piscacek, assistant to the city manager, said the bill as initially filed could prevent a city or county from contracting with lobbyists or other professional advocates or joining with organizations such as the Texas Municipal League, which College Station works with, that engage in advocacy at the state capital. The bill would also create liability for a city if funds were used in such a manner.

Overall, the bill could erode home rule authority and prevent effective participation in the policy making process, and it also limits expert guidance and support and establishes “harmful fiscal and operational impacts,” Piscacek told council members.

Councilman Dennis Maloney said that the passage of the bill would be detrimental for every city in the state of Texas. He said that he hopes the bill won’t pass, adding that TML does “a fantastic” job of making the concerns of cities known at the legislative level.

“If this comes to be, we’re going to be spending a fortune sending council members and staff back and forth to Austin constantly to say ‘what you propose is going to negatively affect my city,’ ” Maloney said.

Piscacek said that the bill generally does not prevent elected officials or employees from advocating for or against legislation.

A couple of changes after the bill was filed authorize cities to reimburse an elected official or employee for direct travel related to advocacy and allowed cities to provide compensation to a nonprofit state association or organization to advocate for or against or otherwise influence the outcome of legislation as long as that association or organization does not contract with lobbyists or does not try to influence legislation related to property taxation.

But even with those changes, Piscacek said that TML would not be able to retain the same role it does now, helping cities throughout legislative sessions.

Similar legislation — Senate Bill 29 — in 2019 failed on the house floor, Piscacek told the council.

“Taxpayer funded lobbying diverts funding from local governments’ ability to provide local needs and results in money being used to advocate for policies not always in Texans’ best interest,” said State Sen. Paul Bettencourt, R-Houston, in a press release. Bettencourt filed the SB10 legislation with nine joint authors.

“The Texas Ethics Commission data showed that an estimated \$32 million was spent on lobbyist compensation in 2018, a non-session year. We can’t have tax dollars being used to advocate for greater spending, more taxing authority and increased regulatory power at the local government level without taxpayers’ consent,” Bettencourt added.

Senate Bill 234 and House Bill 749 prohibit the use of county funds to support a nonprofit association that engages in legislation communication.

Senate Bill 10 remains in the House State Affairs Committee, and as of Thursday afternoon no hearing has been scheduled. Piscacek said in an email to The Eagle that the earliest it could be heard by the House is sometime next week.

[A slew of ex-state lawmakers face criminal charges, but critics question whether proposed reforms are enough for Illinois’ ‘very vibrant culture of corruption’ \(Illinois\)](#)

Two years into a federal corruption investigation that has led to charges against more than half a dozen current and former Democratic state lawmakers and precipitated the downfall of longtime House Speaker Michael Madigan, legislators are scrambling to strengthen Illinois’ government ethics laws.

Proposals include tightening rules for lobbyists, requiring additional financial disclosures from elected officials, giving more independence to the legislative inspector general and prohibiting lawmakers from becoming lobbyists immediately upon leaving office.

But government reform groups, the legislature’s designated watchdog and some lawmakers say the proposals on the table don’t go far enough to fix the problems laid bare by prosecutors in the months since federal agents raided the Capitol office of the [late, then-state Sen. Martin Sandoval](#) in September 2019.

The bipartisan push to pass an ethics overhaul before the legislature’s scheduled May 31 adjournment fits a pattern that has played out over and over again in Springfield: a scandal arises and lawmakers promise to address the problems that are exposed, then in most cases stop short of the most robust recommendations for rooting out wrongdoing.

“It remains to be seen if the full package will be strong enough for correcting the very vibrant culture of corruption that exists in the state of Illinois,” said state Rep. Ryan Spain of Peoria, the ranking Republican on a newly formed House ethics committee.

Gov. J.B. Pritzker has attributed the November defeat of his signature graduated-rate income tax proposal to opponents' ability to tap into voters' overarching distrust in state government. Since the federal investigation came to light, he has made an ethics overhaul one of his top legislative priorities.

But little has been done, and the issue was shelved last year when Madigan and Senate President Don Harmon canceled most of the General Assembly's spring session during the initial surge of the coronavirus pandemic.

With lawmakers back to work this spring, Pritzker again called for them to pass "real, lasting ethics reform."

"Restoring the public's trust is of paramount importance," the governor said in his February budget and State of the State address. "There is too much that needs to be done. If not for the pandemic, this would have happened last year. With a real legislative session and remote or in-person hearings, we need to get this done."

As the ongoing federal probe was becoming public in fall 2019, lawmakers approved a measure requiring more disclosures from lobbyists and creating a task force to recommend additional ways to strengthen ethics laws.

Pritzker quickly signed it into law, and the panel began its work in late 2019, only to call off its meetings once the pandemic began. A final report was never issued.

More than a year later, an ethics bill surfaced in the House around midnight on the final day of the January lame-duck session, hours before a new set of lawmakers was sworn in. The bill never made it out of committee.

While some lawmakers have noted that the onetime colleagues who've been ensnared in the federal probe have been charged with breaking laws that are already on the books, the wide-ranging investigation has brought attention to a number of issues that make Illinois rife for potential corruption.

Former Rep. Luis Arroyo, a Chicago Democrat, was arrested in November 2019 and charged with bribing a state senator to support sweepstakes gambling legislation that would have benefited a client Arroyo was lobbying for at City Hall. The alleged bribe is clearly illegal, but Illinois law doesn't prohibit elected officials from working as lobbyists in other levels of government.

Lobbyists were also in the middle of the Commonwealth Edison scandal, in which the utility admitted to a yearslong bribery scheme to win Madigan's favor. In its deferred prosecution agreement with the U.S. attorney's office, ComEd admitted to using lobbyists and unregistered "consultants" to funnel off-the-books payments to Madigan allies who performed little or no actual work as part of the bribery scheme.

The investigation cast a spotlight on ComEd's long-standing practice of hiring former lawmakers and Madigan staffers as lobbyists, who are required to register with the state, and as consultants, who are not.

An ethics package under consideration in the Senate, sponsored by Democratic Sen. Ann Gillespie of Arlington Heights, would create a statewide lobbyist registration database covering state, county, township and municipal governments. It would also create a uniform definition of who is a lobbyist that would include consultants who communicate with officials on behalf of a lobbyist or lobbying client to try to influence public action.

"There's a lot of confusion out there because the city (of Chicago) has one definition and a lot of locals and the counties don't even have one, then the state has another," Gillespie said. "We really just need to be looking at this uniformly so that we've got the most sunlight on the activities that are happening."

Gillespie's plan also would prohibit lawmakers from lobbying local governments on behalf of people or entities who also lobby the state.

Under those rules, Arroyo would not have been able to work as a registered City Hall lobbyist for sweepstakes gaming company V.S.S. Inc. because the company also was registered to lobby the state.

But the proposal would stop short of an outright ban on elected officials working as paid lobbyists at any level of government, something good-government groups — and Pritzker — called for in the wake of Arroyo's arrest as a way to prevent lawmakers from exerting undue influence.

"Nobody should hold the title of both legislator and lobbyist at the same time," Pritzker said in his February speech.

Supporters say the proposal allows room for lawmakers who are also lawyers or accountants, for example, to do work for local governments within their professional field without running afoul of lobbyist registration requirements.

Another area where the plan falls short, critics say, is its prohibition on former legislators becoming registered lobbyists upon leaving the General Assembly. The bill would ban lawmakers from becoming lobbyists for only six months after leaving office, or for the remainder of their current term if they leave within that tenure.

Republican Sen. John Curran of Downers Grove, who supports some of the bill's provisions, raised concerns that it would allow lawmakers to resign just before the term expires and become lobbyists within days.

"It shouldn't be something that would have such a blatant loophole," Curran said.

Gillespie has promised to fix that issue in an amendment, but Republicans and reform advocates argue that the six-month waiting period isn't long enough.

Alisa Kaplan, executive director of Reform for Illinois, said the measure as written would leave Illinois "at the bottom of the barrel" when it comes to preventing lawmakers from shifting quickly into more lucrative lobbying jobs. By her count, 35 states have one- or two-year revolving door prohibitions for legislators.

"That's just a half-measure," she said of the Senate proposal. "The people of Illinois deserve better than that. I think that if other states do this, we should be able to as well. This is not some kind of radical measure. This is something that would put us in the company of the vast majority of other states."

The proposal also falls short in granting full independence to the legislative inspector general, the person appointed by lawmakers to investigate allegations of wrongdoing by members of the General Assembly and their staff, Kaplan said.

It's a view she shares with Carol Pope, a retired central Illinois judge who was unanimously chosen as the inspector general in 2019.

Pope and her predecessors have repeatedly called for more independence for the office, which has to get permission from the Legislative Ethics Commission, an eight-member panel appointed by the top Democrats and Republicans in the House and Senate, to open investigations, issue subpoenas and publish reports on investigations that find wrongdoing by lawmakers.

Gillespie said her intention is to allow Pope to open investigations on her own but still require the inspector general to get permission from the ethics commission before releasing reports on lawmakers to the public.

Because the commission is made up of an equal number representatives from both parties, partisan deadlocks can result in reports on lawmakers' misdeeds being kept from the public. Pope and her predecessors say that has happened several times since the office was created as part of a 2003 ethics overhaul during the scandal-plagued tenure of former Gov. Rod Blagojevich.

"We need some balance if we're going to have a truly independent oversight mechanism," Kaplan said. "It just doesn't make sense to have legislators policing legislators. That's not how independent oversight works."

But Gillespie said the ethics commission should be given an opportunity to operate under existing rules under new House Speaker Emanuel "Chris" Welch and Harmon, who became Senate president last year. She noted that Harmon for the first time appointed someone who is not a sitting legislator to the panel: Pat McGuire, who left the Senate when his term expired in January.

"It's a new day. ... I think we need to give it a chance to work," she said.

While the bill wouldn't give the legislative inspector general the full level of autonomy those who've held the office say is necessary, it would make the position a full-time job with posted office hours — which Pope said would be a waste of taxpayer money. She now works on an as-needed basis.

"Even if you had office hours, there would be a person sitting in the office with nothing to do," Pope said at a recent Senate hearing "The demand for hours is just simply not there, which is a good thing in my opinion."

Lawmakers argue that having a full-time inspector general would an important signal to the public.

"While it may not be a good perception to have an office of people that aren't working full time, I also don't think it's a good perception, visual, to have an office that's closed, that the lights are out, that nobody knows when it's open either," Gillespie said at the hearing. "I think it's important for our residents of Illinois to start to establish trust in their legislature if they know that this is something we're taking this seriously."

With just a month remaining in the spring legislative session and an agenda that also includes negotiations over a major energy policy overhaul and a pandemic-era state budget, it remains to be seen whether lawmakers will push through an ethics package.

Rep. Kelly Burke, an Evergreen Park Democrat who chairs the House ethics committee and sits on the Legislative Ethics Commission, declined to comment on specific proposals in her chamber but said she's waiting for the Senate to send over its proposal.

Burke said she expects lawmakers to approve either one package or "small number of bills" dealing with lobbying, statements of economic interest and the role of the legislative inspector general, among other issues.

"We've been putting a lot of work into our hearings and gathering lots of different opinions, and we're really trying to work to provide some better clarity and stronger ethics laws," Burke said.

[One ritzy fundraiser shows how tough selling lobbying reform in Pa. will be](#) (Pennsylvania)

For the first time, the Pennsylvania Legislature's top leaders are expected to throw their weight behind reining in the influence of lobbyists who also moonlight as political consultants, blurring the worlds of politics and policy in the Capitol.

In the coming weeks, House Speaker Bryan Cutler and Senate President Pro Tempore Jake Corman plan to unveil a proposed ban on the practice as part of a lobbying reform package. The hope, the Republicans have said, is to restore public faith in government.

Yet even as the final details of the plan are being penned, Corman is jetting off to a ritzy fundraiser organized by one in a trio of companies that has cornered the market on the business practice Corman's lobbying reform legislation aims to stop. The Harrisburg-based firms, called The Mavericks, fundraise for elected officials, run their political campaigns, then lobby them once they are in office.

The \$5,000-a-ticket fundraiser will be held this week on a PGA tour golf course in Arizona, according to a copy of the invitation obtained by The Caucus and Spotlight PA.

For Corman, who made transparency a cornerstone of his agenda when he ascended to the Senate's top job earlier this year, the fundraiser could undercut the message that he is serious about ushering in good-government reforms.

“They [Corman and Cutler] deserve credit for recognizing the problem, but it is going to take some effort to make it work with any degree of credibility,” said Barry Kauffman, the former executive director of Common Cause Pennsylvania, which advocates for lobbying transparency and government accountability. The proof will be in the details of the legislation, he added.

Jason Thompson, Corman’s Capitol spokesperson, said he could not comment on campaign matters. He did say lobbying reform is one of the Republican senator’s “highest legislative priorities” this session and many hours have been dedicated to fine-tuning and perfecting the final plan.

Corman’s campaign is run by Red Maverick Media, one of three firms founded by Ray and Jan Zaborney, a politically influential husband and wife duo. Maverick Strategies is the lobbying arm of the business, while Maverick Finance handles fundraising.

Records show Corman’s main campaign committee and a separate leadership committee he runs paid Maverick Finance and Red Maverick Media a combined \$932,000 from 2015 to 2020.

Over the past year, Corman has come under scrutiny for his close ties to Ray Zaborney. The senator [hired Zaborney’s lobbying partner as his chief of staff](#) last fall and helped raise money at a California golf outing for [a secretive nonprofit Zaborney launched](#) that has engaged in some political activity.

In emails to The Caucus and Spotlight PA last week, Zaborney said that in mid-April, he quietly shed his lobbying affiliation. He said he did so after consulting with Corman.

“I’m not a registered lobbyist effective April 16,” he wrote. “In consultation with Senator Corman and in an effort to comply with the bill I believe he will be introducing, I have deregistered and will not lobby the legislature or administration.”

Referring to previous reporting by The Caucus and Spotlight PA on his ties to Corman, Zaborney added: “I hope I haven’t ruined your 18th installment of this story, but perhaps you’ll spend some of that time actually looking at other firms who refuse to take the steps that we have all these years. I doubt it tho ???? .

When asked whether Corman had given him advance notice of the legislation, Zaborney downplayed his initial statement: “I didn’t consult in a ‘what should I do’ manner, I consulted on getting a sense of if there was a part that banned political consulting and lobbying BECAUSE MY PLAN WAS TO VOLUNTARILY COMPLY IF THERE WAS.”

Through his Capitol spokesperson, Corman said [it is no secret in Harrisburg that he has been working on lobbying reform](#), and that details about it are getting out.

Craig Holman, government affairs lobbyist for Public Citizen in Washington, D.C., said there has been a push nationally to ban lobbyists from campaign fundraising — and for good reason.

“That’s part and parcel of the influence-peddling game,” Holman said. “It is almost funny if it weren’t so sad.”

The exact details of Corman and Cutler’s reform package have yet to be revealed publicly.

And while a memo seen by The Caucus and Spotlight PA show the leaders favor banning lobbyists from also working as political consultants, it was silent on whether these consultants would be prevented from having a financial stake in lobbying firms.

While Zaborney is no longer a lobbyist, he would not say whether he still owns or retains a financial interest in the lobbying company he founded, which over the years has grown into one of the Capitol’s go-to firms, representing major clients from the cannabis, gambling, energy, and health-care sectors.

He also would not say whether Jen Zaborney, who had previously run Maverick Finance, continues to have financial or professional ties with the company, saying only that neither she nor he receives “compensation” from it.

One trip, two fundraisers

Maverick Finance organized Corman’s fundraiser this week at The Phoenician, a luxury resort in Scottsdale, Arizona. There, the Republican senator will raise money for one of his campaign war chests: the Build PA PAC, which rakes in millions of dollars every year for his and other GOP campaigns.

It is scheduled to piggyback off another golf fundraiser there with an even higher price tag: one benefitting the Republican Legislative Campaign Committee, a national organization in which Corman, as well as Cutler, were recently given leadership roles.

The committee is an arm of the larger Republican State Leadership Committee, a Washington, D.C.-based political organization. In 2020, the RSLC spent tens of millions of dollars on state legislative campaigns, with the money coming from corporations and billionaire Republican

donors like Sheldon Adelson and members of then-U.S. Education Secretary Betsy DeVos' family, along with small donations from across the country, according to campaign finance and IRS filings.

The national organization's fundraiser will launch Wednesday with a reception — with Corman as a special guest — and continue the next day with golfing at yet another ritzy Scottsdale golf club, Troon North. The club's two 18-hole courses stretch through natural ravines and foothills where "giant granite boulders lie strewn across the rugged landscape of Arizona's Sonoran Desert," according to its website.

The cost: \$30,000, which includes a golf foursome and a three-night stay at The Phoenician.

Corman's fundraising event starts May 6 with an evening reception and continues the next day with golf at The Stadium Course at TPC Scottsdale. The course is most famous, per its website, for its "par-3, 16th hole that transforms into 'The Coliseum' during the tournaments and provides fans with one of the most exciting settings in professional sports."

This spring, Corman was tapped by the Republican Legislative Campaign Committee to be its energy chair. Its parent organization, the Republican State Leadership Committee, had a significant footprint in Pennsylvania's legislative elections in 2020.

It spent \$1.7 million to help state House Republicans keep their comfortable majority. And it spent another roughly \$330,000 on a few competitive state Senate races, all of which was paid to Zaborney's Red Maverick Media — the only Pennsylvania firm RSLC paid directly to produce and run ads in 2020, according to campaign finance filings.

[The money to Red Maverick Media raised questions](#), Spotlight PA and The Caucus previously reported, because a large portion went toward ads in the Dauphin County-based state Senate matchup between Republican incumbent John DiSanto and Democratic challenger George Scott.

Red Maverick Media represented DiSanto's campaign and worked for the RSLC. And though it is forbidden for a campaign to coordinate with an outside group like the RSLC, Zaborney said his company complied with federal rules allowing for one company to do both as long as there are internal "firewalls" preventing coordination. Zaborney worked for DiSanto's campaign while another Red Maverick co-founder worked with RSLC, he said.

Under the RSLC's larger organization, Corman and Cutler were both recently named to the RLCC executive committee, connecting them with GOP leaders from other states in a joint effort to keep power in state legislatures.

Cutler did not respond to a request for comment about whether he would also attend the Arizona event.