



M U L T I S T A T E

[Top Pa. GOP lawmaker fast-tracking a lucrative gambling expansion that would benefit a major campaign donor](#)

Last fall, more than 2,300 miles from Pennsylvania's Capitol, the top lobbyist for a gaming company seeking a lucrative gambling expansion helped host a fundraiser in Las Vegas for the leading Republican in the state Senate, Joe Scarnati.

The elaborate event was held at the famed Bellagio Hotel and Casino, records show. For tickets ranging in price from \$7,500 to \$25,000, donors gained access to rounds of golf, a hockey game, and a cocktail hour and dinner at a glitzy restaurant overlooking the Vegas strip.

Several months later, executives from the gaming company, Golden Entertainment, poured thousands of dollars into a campaign committee controlled by Scarnati and close associates.

Now, Scarnati and other top Republicans are working feverishly behind closed doors to whip up votes for a bill that would help Golden and others like it cash in on the next frontier of expanded gambling, potentially worth millions of dollars: video-gaming terminals, known better as VGTs.

In recent days, lobbyists and top Republican leaders have mounted a full-court press to convince rank-and-file senators to vote for ushering in thousands more of the slots-like terminals, according to two legislative sources familiar with the effort.

The behind-the-scenes push, expected to culminate in a Senate vote as soon as Monday, comes as the legislature faces massive challenges, most notably the fallout from a pandemic that has killed 6,361 Pennsylvanians and ravaged the economy, as well as the largest civil rights protests of a generation and demands for [systemic overhauls of the police](#).

But with lawmakers set to soon depart Harrisburg for a summer of campaigning leading up to the November elections — and Scarnati set to retire from the Senate — the rush is on to expand VGTs. The maneuvering offers a window into the raw intersection of politics and policy-making in Pennsylvania, and how campaign dollars can drive the legislative agenda.

A spokesperson for Scarnati said the senator “typically does not respond to inquiries on bills that have yet to see movement.”

Calls and emails to Golden Entertainment officials were not returned. Dave Thomas, the lobbyist who heads the Harrisburg-based firm that helped organize Scarnati’s Las Vegas fundraiser, declined to comment specifically on the fundraiser or the bill under discussion.

But speaking generally, Thomas said: “Giving them money doesn’t mean jack.”

Campaign records and other documents reviewed by Spotlight PA and The Caucus show that gaming operators and their lobbyists have donated tens of thousands of dollars to legislative leaders — and even appear to be drafting the exact language to be used in the expansion bill.

The push for more VGTs has been controversial in a state that has grappled with balancing the rapid expansion of gambling with the need for new revenue. In Pennsylvania, casino gambling was legalized in 2004. Since then, lawmakers have vastly expanded the types of games people can play and where they can play them. That includes VGTs.

They were first approved on a limited basis in late 2017 as part of a hard-fought budget deal between Gov. Tom Wolf and Republicans, who control both legislative chambers. That agreement — which also legalized online gambling and authorized new "mini-casinos" around the state — permitted VGTs, but only at truck stops.

There are now 135 terminals at 27 truck stops across the state.

The proposal now being championed by Scarnati and other top Senate Republicans, including Senate Majority Leader Jake Corman (R., Centre), would allow those machines in bars, taverns, social clubs, and other venues with liquor licenses, vastly expanding their reach — and profits.

Under current law, truck stops brought in nearly \$6 million in VGT revenues in the most recent fiscal year. The state takes a 42% cut, and the host municipality another 10%. The steep taxes, however, are indicative of just how lucrative the machines are for operators.

Separately, the proposal also seeks to regulate and tax so-called skill game machines for the first time, which currently are in thousands of venues across the state, including gas stations. That proposal also has powerful and deep-pocketed interests for and against it.

In an interview Thursday, Corman confirmed there is a push to expand VGTs, which he said could raise money to offset property taxes for seniors.

Beyond that, supporters believe expanding VGTs and taxing them will help rake in revenue, not just for the state, but for many small bars whose business has been ravaged by the coronavirus. Detractors counter that the state already has too much gambling. The state's casinos also fiercely oppose the proposal because they believe it will cut into their earnings.

“We are shocked and alarmed by the persistent speculation that the General Assembly is considering an expansion of gaming to include both broad-based VGT gambling throughout communities and the legalization of currently illegal skill game slot machines that are being operated outside of our facilities,” 13 licensed casino owners and operators wrote in a letter this week to legislative leaders. “The legislature determined that such broad-based gaming expansion would have had a devastating impact on both Pennsylvania’s casinos and the Pennsylvania Lottery. This is even more true today.”

One legislative aide, who asked not to be identified because he was not authorized to speak publicly, said some senators were surprised at the push given the legislature is wrestling with bills related to the state’s coronavirus response and measures to improve police oversight.

As of late Thursday, there did not appear to be a draft of an actual bill. But proposed language written by a lobbyist for the trade association representing gaming operators of VGTs — including Golden Entertainment — was making the rounds inside the Capitol.

In a statement, Jeff Sheridan, a spokesperson for the Pennsylvania Video Gaming Association, did not address why the trade group’s lobbyist had drafted the language, or to whom it was circulated.

Instead, he reiterated the association’s support for the expansion and said it would benefit small businesses “as they recover from the greatest economic and health crisis in our lifetimes.”

The association and its members have pushed hard for placing VGTs beyond truck stops. And gaming operators, their executives, and their lobbyists have also contributed thousands of dollars to campaigns of key decision-makers in the Capitol.

One of the biggest beneficiaries was a campaign committee run by Scarnati.

In a series of stories last year on how some lawmakers are able to hide campaign expenses in their public disclosures, Spotlight PA and The Caucus reported that Scarnati and his campaign advisors began [fundraising with casino executives](#) in Las Vegas in May 2018.

According to newly obtained campaign receipts, Scarnati, his wife Amy, and his former chief of staff returned to Las Vegas last October. Almost all of the receipts — totaling \$1,757 for their flights and some meals between Oct. 16 and 19 — have handwritten notes indicating they were for a “DT event” or “DT fundraiser.”

“DT” refers to Dave Thomas, the lobbyist for Golden Entertainment and a one-time top House and Senate lawyer. Campaign finance records show Thomas also does campaign work for Scarnati. In the months leading up to the October 2019 fundraiser, for instance, Scarnati’s campaign paid The DT Firm \$60,000 for “consulting services.”

According to a copy of the invitation for the fundraiser obtained by the news organizations, the event was a private reception supporting Scarnati that spanned several days. It was held during the same week of the 2019 Global Gaming Expo, which is North America’s largest gaming trade event. It asked guests to RSVP to The DT Firm, and make checks payable to Scarnati’s campaign.

Check-in was at the Bellagio Hotel and Casino on Oct. 17, followed by a hockey game between the Ottawa Senators and the Vegas Golden Knights. The next day included a round of golf at the Cascata Golf Club and dinner that evening at Top of the World, a restaurant in The STRAT Hotel, Casino & Skypod located more than 800 feet above the Las Vegas strip that offers panoramic views as it revolves 360 degrees every 80 minutes.

The STRAT hotel and casino is owned by Golden Entertainment, according to its website.

This year, in the waning days of the primary election, four top executives at Golden Entertainment contributed a total of \$42,500 to a political action committee run by Scarnati and his close associates called Citizens for a Better Pennsylvania.

Those were the only donations the committee — which had \$581,600 in the bank at the start of 2020 — received all year. They came as Scarnati spent hundreds of thousands of dollars to prop up the failed campaign of his hand-picked successor in Jefferson County, Herm Suplizio.

Most of Scarnati’s spending was to pay The DT Firm, which then paid for advertising related to Suplizio’s campaign.

It is not clear when Thomas' firm began doing paid campaign work in addition to lobbying, a practice that has been criticized by good government advocates as blurring the lines between politics and policy-making, and between lobbyists and elected officials.

[Democracy would benefit if every college student learned how to lobby](#)

As we continue down this swirling whirlpool of virus-induced uncertainty, a great deal of discussion has occurred in the D.C. government affairs space about how trade associations and lobbying firms will operate in our new normal.

With Capitol Hill offices physically closed, normal legislative business disrupted and access to members and staff restricted more than ever, new methods of advocacy must be created. But there's been little talk about how citizen advocacy can adapt — especially on the part of young Americans.

With Congress passing unthinkable-large spending packages in record time, it's crucial all Americans be given the tools, perspective and encouragement to stay active in the public policy process despite our new reality.

Much of my professional career has been spent teaching civics to college students, and I've learned that to truly make a difference, a war in two theaters must be won: first, to reteach civics and "unlearn" misinformation; and second, to pull back the veil and show students how to apply directly the methods of advocacy.

For several years, I managed an academic public policy program at a nonprofit in Washington. It attracted thousands of college students to the capital each year. We wanted undergraduates to understand Congress and the public policy process, but with a twist:

After they were taught techniques of effective advocacy, they got a shot at trying them out on one of their own members of Congress. I helped facilitate almost 900 such face-to-face sessions for my students over five years.

Long before they set foot in a House or Senate office building, though, it was clear many weren't prepared. Most arrived for the semester with little civic understanding.

Some barely knew the three branches of government. Others had no concept of how laws were made. And, with the oversaturation of opinion masquerading as news, many couldn't tell fact from fiction. Some pointed to "House of Cards," one of the worst depictions of modern

Washington there is, as an illustration of truth. And sadly, some thought that simply having an opinion was all they needed to debate policy.

So how do we fix this?

Foremost, young Americans must be taught civics more properly. The approach at my high school in Connecticut relied on memorization of the congressional districts and a spirited viewing of "Schoolhouse Rock!" ("I'm just a bill, sitting here on Capitol Hill.") This simply is not enough.

Comprehensive instruction must include how, and why, young people should visit Congress or a state legislature, with insight into the legislative dynamics and political realities. Students should be taught to spot misinformation, reject it entirely. And they need to learn how to articulate their wants and needs to those in power.

Which leads to the experiential piece. Many of the Founders felt it critical to incorporate civic learning into all levels of education, suggesting citizens actively attend official functions to understand personally how governments work.

The Philadelphia physician Benjamin Rush, a signer of the Declaration of Independence and delegate to the Continental Congress (and also founder of Dickinson College, my alma mater) envisioned an education rooted in republican principles. [In a 1786 treatise](#), he was so supportive of in-person encounters with the government that he suggested colleges be located only in county seats, so students would be easily able to witness local legislating and court proceedings.

Such access is just the first step. Students should take field trips and participate in lobby days, where they can hear directly from legislative staff and legislators about effective advocacy. They can see what works and what doesn't, and gain valuable insight into the kind of information lawmakers need when considering legislation.

Most of all, though, these young citizens would be more emboldened with the courage they need to continue a lifetime of advocacy.

To assure such repeated exposure to the halls of government, part of the responsibility lies with members of Congress and their staff. Thankfully, in all my hundreds of meetings on the Hill, only a handful of offices were unresponsive and fewer still were hostile to the idea of meeting with students.

But to help young citizens learn more about civics, legislators must make time for these constituents, explain their bills in plain English — and actually have a conversation. Politically-charged form letters do not make for good constituent correspondence. And with video conferencing now so commonplace, the opportunity for someone from a Senate or House office to appear in a virtual classroom to discuss lawmaking has never been easier.

Today's students are tomorrow's leaders, so institutions of learning must not cut back or eliminate civics. While all 50 states require some element of civic learning, many have shrunk or modified the curriculum — and, wrongly, some study-in-D.C. programs have eliminated any instruction related to advocacy.

Decisions about our future are made in Washington and in state capitols every day, with or without our input, so now is the time to double-down on what we can teach students about advocacy by involving all stakeholders: Legislators, lobbyists, educators and community groups.

By strengthening civic engagement, especially with young people, we might be able to equip a critical mass of Americans with the tools they need to inject a renewed sense of life in our democracy.

[K Street may mostly skip political conventions this year](#)

Lobbyists from K Street's biggest firms and associations may end up skipping this year's political conventions, as they grapple with fears of the coronavirus and fallout from related location and date changes.

Discombobulated from all the uncertainty, the influence sector's plans, with conventions set to begin in about two months, are totally in flux.

Typically, this close to the nominating conventions, lobbyists would have booked hotel rooms, arranged for event spaces to host receptions and scored passes to attend high-profile speeches, including those of the party nominees.

Not this year.

Republicans announced plans to move part of their convention — including a “celebration” with President Donald Trump — from Charlotte, North Carolina, to Jacksonville, Florida, amid squabbles with the Tar Heel State's Democratic Gov. Roy Cooper over the number of people who would be in an indoor venue. Democrats, meanwhile, postponed their Milwaukee convention from July to the week of Aug. 17 because of the pandemic.

K Street's biggest shops, including Akin Gump Strauss Hauer & Feld and the BGR Group, are among those with undetermined plans. Ditto, so far, for the U.S. Chamber of Commerce and the National Association of Realtors, the two biggest-spending lobbying groups.

"We had planned to be on the ground in Charlotte and Milwaukee and actively involved," Shannon McGahn, senior vice president of government affairs for the Realtors' lobby, said in an email sent through a spokesman. "However, we realize the situation is fluid, and we are monitoring events and looking for new ways to participate. No decision has been made."

McGahn noted that her group had recently held a "very successful" virtual legislative meeting with more than 30,000 real estate agents participating. "We will continue to innovate in this way to keep our members connected to the decision-makers in Washington," she said.

Even with the decision to move the main highlights of the GOP convention, Republicans organizing the quadrennial event said they were working with K Streeters and their clients on possible events.

"We're excited for the convention celebration in Jacksonville and continue to engage businesses and trade associations on opportunities for their involvement with events, activations and key sponsorship opportunities," Tatum Gibson, the 2020 Republican National Convention's national press secretary, said in an email to CQ Roll Call.

The music plays on?

Jeffrey J. Kimbell, a longtime lobbyist who runs Jeffrey J. Kimbell and Associates, Inc., said his Magnum Entertainment Group, which has produced live music events at every GOP convention since 2004 was looking at its options in Jacksonville, after previously having booked in North Carolina.

"We have been very impressed by the city [of Jacksonville], the leadership of the convention and the team in place on the ground," Kimbell said.

Still, the logistics pose a conundrum for K Street interests — and anyone else considering whether to attend in-person activities at either convention.

"With dates moving and locations changing, that makes it hard to plan," said Christopher DeLacy, who leads the political law group at Holland & Knight. "Everyone's waiting to see what the final decisions will be, with regard to these conventions."

It's possible that organizers will shift to more virtual conventions, especially Democrats who have taken a more cautious approach to concerns over COVID-19 than Trump, who held an indoor rally this past weekend in Tulsa, Oklahoma.

Branded by politics

The virus isn't the only thing weighing on corporate lobbying interests either. Even before COVID-19 upended Americans' lives, many corporations — worried about associating their brands overtly in politics — had been assessing whether the large investments would be worth it.

“In the current environment, companies are particularly cautious about alienating employees and customers by sounding like they are closely aligned with either party,” Doug Pinkham, president of the Public Affairs Council, said back in January.

That sentiment is even more true now, as Black Lives Matter demonstrations have led to a nationwide reckoning on racial matters and infused even more volatility into the already deeply charged partisan environment.

Scheduling, interrupted

Even longtime lobbyists and political denizens, who have attended numerous conventions over the years, aren't sure how to pull this one off.

“I'm still trying to figure it out,” said John Feehery, a former GOP congressional aide who is a partner in the lobby firm EFB Advocacy. “I've been to every convention since '92, and I'd like to go to this one, but this is such an odd time. ... I'm actually glad I didn't put any money down on Charlotte.”

Retired lobbyist David Norcross, who served as chairman of the 2004 Republican convention in New York City and has gone to every one of his party's conventions since 1976, said this year's situation was “completely and totally” unprecedented, unlike anything he'd ever seen. But it's not the first time conventions have explored the idea of delegates voting remotely, he said.

With fears of terrorism still fresh after 9/11, he and his team looked at backup plans if they'd had to shut down. “We had done enough to know what we probably couldn't do, so that left us with what we likely could do,” he recalled recently.

Norcross says that if he were still on K Street, he'd likely be scoping out hotel rooms in Jacksonville. But like many of his colleagues who are still in the business, he's not going this time.