



M U L T I S T A T E

Judge Says Former Mass. House Speaker DiMasi Can Register As A Lobbyist Despite Past Convictions

Former House Speaker Sal DiMasi was cleared on Thursday to register as a lobbyist by a Superior Court judge who overturned Secretary of State William Galvin's decision to reject DiMasi's application based on his [past convictions](#) on federal corruption and extortion charges.

The [ruling](#) could return to the State House a man who once wielded tremendous power on Beacon Hill until he was caught and convicted of accepting kickbacks in exchange for steering lucrative state contracts to a Burlington-based software firm.

Superior Court Judge Robert Gordon ruled that if the Legislature had intended to make a conviction on federal criminal charges grounds for automatic disqualification from lobbying in Massachusetts it should have explicitly listed those crimes as triggers for the legal action.

Instead, the 2009 state law cited by Galvin to deny DiMasi's application to lobby only calls for anyone found to be "in violation" of state ethics, lobbying or campaign finance laws to be automatically disqualified from lobbying for 10 years.

Judge Gordon's decision to side with DiMasi's narrow interpretation of the state lobbying laws means that the former North End Democrat may soon be allowed to join the list of former speakers who have gone on to lobbying careers after their years as an elected official were ended by legal trouble.

"We are gratified by today's decision, which adopts our 'common-sense construction' of the Lobbying Law. As we have said from the beginning, the Secretary did not have authority to disqualify Mr. DiMasi from registering as a lobbyist. Mr. DiMasi looks forward to using his knowledge and experience to advocate for important causes such as healthcare for the homeless and prison reform," said Meredith Fierro, DiMasi's attorney.

Galvin, however, said he intends to appeal. "This decision sets a very bad precedent and I will be appealing it," the secretary said in a short statement.

DiMasi, who led the House from 2004 to 2009, served five years in federal prison until his [compassionate release](#) in 2016 to battle cancer. He made [a public appeal](#) last year for a "second chance" after his health improved and he sought to restart a career advocating for issues like prison reform.

"Whatever you think I did, I think I've paid my debt to society and I think I can get a second chance to be a contributing citizen so that I can benefit the citizens of Massachusetts," DiMasi told reporters in November.

The former North End Democrat's attempt to resurrect his career in politics, however, was greeted with a closed door by Galvin, who in March 2019 rejected his application to register as a lobbyist.

DiMasi appealed the denial, but an administrative hearing officer from Galvin's office [upheld the secretary's decision](#) in December, prompting DiMasi to seek relief from the courts.

Gordon wrote in his ruling that the narrow construction of the law argued by DiMasi is "no more absurd" than the broad interpretation sought by Galvin.

The judge cited a Supreme Judicial Court precedent from a 1986 case involving the Boston Retirement Board in which the state's highest court recognized as significant the Legislature's failure to reference federal crimes in state statute as a trigger for legal consequences.

In fact, Gordon wrote that "one might fairly deride as absurd" the notion that a law intended to create guidelines for an automatic denial, which would remove discretion from the process, should be interpreted to also give the secretary the freedom to decide which federal and non-Massachusetts crimes were analogous to the ones enumerated in the statute.

The judge also suggested that based on DiMasi's federal convictions he could have been prosecuted under state statutes by the attorney general, but wasn't, and cast doubt on the prospects for Galvin's "alternate theory" for denial should he pursue it.

Galvin's office has suggested that DiMasi also could have been denied based on his failure to register as a lobbyist while also serving as speaker and advocating for the software firm, Cognos — the same action for which he was convicted of corruption.

Gordon was appointed to the Superior Court bench in 2013 by former Gov. Deval Patrick. Prior to that, he worked at the Boston law firm Ropes & Gray for more than two decades, with a focus on labor and employment law.

Louisiana's cap on lobbyist wining and dining edges up a bit

Louisiana's lobbyists can spend a bit more on wining and dining state lawmakers and other public officials.

When the new budget year began Wednesday, the lobbying limit on food and drink for a public official edged up \$1 per person, per occasion. The new limit per person at an event is \$63.

When the lobbying cap was enacted, the limit was \$50 per occasion. But the 2008 law that sets the limit allows annual adjustments tied to increases in the federal Consumer Price Index for food and beverages. That index rose 1.8 percent in the last year.

The Louisiana Board of Ethics, which oversees the lobbying spending restrictions, made the adjustment at a meeting earlier this year.

Lobbyists, Law Firms and Trade Groups Took Small-Business Loans

The Trump administration, [under pressure](#) to reveal which companies received loans from a \$660 billion program intended to keep small businesses afloat, on Monday [released data](#) showing that restaurants, medical offices and car dealerships ranked high among the top loan recipients.

The detailed information from the Paycheck Protection Program was confined to companies that received loans of more than \$150,000. The administration said 86.5 percent of the loans were for less than that amount, so the snapshot captured only one sliver of businesses that tapped funds. So far, banks have made about 4.9 million loans through the program, with an average size of \$107,000.

Nearly 5,000 businesses received individual loans between \$5 million and \$10 million, according to the data. The administration included ranges for the amounts, not specific figures.

And the figures did not include details on the roughly \$30 billion in loans that were returned as companies [realized that they were not eligible](#) for the program, worried that they couldn't meet program requirements or reacted to a [public outcry](#) about big firms getting funds.

Restaurants, medical offices and car dealerships were the top recipients of large loans from the program. More than 40,000 full- or limited-service restaurants received loans worth as much as \$32 billion, according to the ranges provided by the government.

Sprinkled among the beneficiaries were businesses that are likely to attract scrutiny, including a fancy sushi restaurant at the Trump International Hotel in Washington; Kanye West's company, Yeezy; and President Trump's longtime personal lawyer.

Washington lobbying shops, high-priced law firms and special-interest groups also received big loans, according to the administration, the latest indication of how the government's centerpiece effort to shore up mom-and-pop shops set off a race by organizations far afield from Main Street to secure federal money. The disclosure could [further fuel outrage](#) toward the program, which has been complicated by revelations that large, publicly traded companies were taking big loans and concerns that it might leave borrowers saddled with debt.

"My 1,000-foot takeaway is that the government was handing out free money and the line went around the corner," said Aaron Klein, a fellow in economic studies at the Brookings Institution in Washington. "This is not your mom-and-pop shop on Main Street."

The administration said the Paycheck Protection Program had helped to support more than 50 million jobs. The share of overall small-business payroll supported per state ranged from 72 percent in Virginia to 96 percent in Florida, according to the Treasury Department.

The program provides forgivable loans to companies that have 500 or fewer employees and meet certain requirements, such as using the bulk of the money to keep workers on the payroll. Lenders are responsible for reviewing recipients' forgiveness applications to verify that they complied with the program's rules.

More than 100 law firms received loans ranging from \$1 million to \$10 million, the data showed. The list included well-known names like Boies Schiller Flexner, the high-priced law firm run by David Boies, which received between \$5 million and \$10 million. "We don't comment on our financials," the firm said.

Kasowitz Benson Torres, founded and run by Mr. Trump's longtime personal lawyer, Marc E. Kasowitz, received a loan for between \$5 million and \$10 million. The firm represented Mr. Trump for over a decade before he was elected president, both in his business dealings and in other matters, such as helping him keep [divorce records sealed](#). Mr. Kasowitz and the firm also [represented](#) Mr. Trump during Robert S. Mueller III's investigation into Russian interference in the 2016 presidential election.

Mr. Trump later [diminished the role of Mr. Kasowitz](#) in his dealings with Mr. Mueller's investigators. A spokeswoman for Kasowitz Benson Torres said the loan, along with cost-cutting, "enabled us to preserve the jobs of our hundreds of employees at full salary and benefits without interruption."

The president also appears to have benefited from government support, at least indirectly. While the Trump Organization did not apply for loans under the program, the data showed that dozens of tenants at buildings owned by Mr. Trump or managed by his companies received funds.

One reported recipient was a hair salon in the president's hotel in Chicago. More than 20 businesses listed at 40 Wall Street, an office building near the New York Stock Exchange that Mr. Trump has owned since the mid-1990s, also reportedly received government loans totaling at least \$20 million. Among the recipients were law offices, financial service firms and nonprofit organizations.

Sushi Nakazawa, a restaurant at the Trump International Hotel in Washington, received a loan of between \$150,000 and \$350,000. The company did not respond to a request for comment about how it planned to use the funds.

Some loan recipients are connected to the president's son-in-law and senior adviser, Jared Kushner. The data show that a loan of between \$350,000 and \$1 million was made to Esplanade Livingston, a Kushner family entity that owns the land in Livingston, N.J., where the family's Westminster Hotel is. In 2018, Mr. Kushner divested his stake in the entity, from which he once derived income generated by that hotel.

Princeton Forrester, a real estate entity owned by various members of the Kushner family not including Mr. Kushner, received a loan of between \$1 million and \$2 million.

"Several of our hotels have applied for federal loans, in accordance with all guidelines, with a vast majority of funds going to furloughed employees," said Pete Febo, Kushner Companies' chief operating officer.

The Paycheck Protection Program, which was included in the \$2 trillion stimulus bill passed by lawmakers in March, also benefited several members of Congress.

Car dealerships connected to Representative Mike Kelly, Republican of Pennsylvania, received three loans, each between \$150,000 and \$350,000. Mr. Kelly, a multimillionaire, owns Mike

Kelly Automotive Group, Mike Kelly Automotive L.P.; and Mike Kelly Hyundai, all of which accepted loans.

Andrew Eisenberger, spokesman for Mr. Kelly, said that the congressman had properly followed the rules of the disaster aid program and that the money would be used “to sustain the income of workers who would otherwise have been without pay or employment at no fault of their own during the coronavirus pandemic.”

Businesses associated with other members of Congress or their relatives, both Democrats and Republicans, received similar disaster aid. They included a farm and other businesses owned by Representative Vicky Harzler, Republican of Missouri, and her husband. Ms. Harzler [cited the need](#) “to ensure the continued ability to maintain the employment of all team members during this time.”

A New York shipping business owned by the family of Transportation Secretary Elaine Chao, the wife of the Senate majority leader, Mitch McConnell, received at least \$350,000, according to the data. A person familiar with the company, [Foremost Group](#), said that the loan was for less than \$500,000 and that no employees had been laid off during the pandemic. Ms. Chao has no formal affiliation or stake in the business. In 2008, she and Mr. McConnell received millions of dollars in gifts from her father, James, who ran the company until 2018.

Many of the biggest and most influential lobbying and political consulting firms received money — despite prohibitions intended to restrict access — most likely qualifying by highlighting lines of business that fell outside the restrictions.

Wiley Rein, which has a large lobbying practice focusing on trade issues, received between \$5 million and \$10 million, according to the data. Van Ness Feldman and Beveridge & Diamond, two law firms that focus on helping energy industry clients push their agendas in Washington, received loans between \$2 million and \$5 million, according to the administration.

A firm that raises money for Mr. Trump’s re-election campaign and the Republican National Committee received a loan of more than \$1 million, according to the data set, while a company that produces Mr. Trump’s political advertisements received between \$350,000 and \$1 million. So did a consulting firm started by President Barack Obama’s former campaign manager Jim Messina and one that Hillary Clinton’s 2008 campaign paid for communications consulting.

Several firms that advise companies on how to deal with the government, but are not officially registered to lobby, were also said to have received loans. They include companies run by former Secretary of State Madeleine Albright, who served in the Clinton administration.

The administration listed loans worth between \$350,000 and \$1 million to a consulting firm started by former Senator William S. Cohen, a Maine Republican who also served in the Clinton administration as the secretary of defense, and one run by a homeland security secretary in the Bush administration, Michael Chertoff. And DCI Group AZ, a prominent political and corporate consulting firm, collected as much as \$5 million.

An affiliate of Americans for Tax Reform, the influential conservative group that has been a vocal critic of government spending, received between \$150,000 and \$350,000, according to the government's data. In a statement, the group said the foundation "was badly hurt by the government shutdown" and "does not engage in lobbying."

A number of prominent private schools were listed as loan recipients, despite [the controversy](#) over whether such institutions should take the money.

In New York City, St. Ann's School took a loan valued between \$5 million and \$10 million. Kent Place School, a private school in New Jersey, was reported to have received a loan worth between \$1 million and \$2 million.

Schools with political ties in the Washington area also received loans. Sidwell Friends, which has educated the children of presidents, received a loan worth between \$5 million and \$10 million, based on the data. Georgetown Preparatory School, which the Supreme Court justices Brett Kavanaugh and Neil Gorsuch attended, received a loan worth between \$2 million and \$5 million.

Georgetown Preparatory's president, the Rev. James R. Van Dyke, said, "We remain committed to doing all that we can to retain our immensely talented faculty and staff," adding that many of them accept salaries and wages "lower than what they might earn in the for-profit sector or the public school system."

St. Andrew's Episcopal School, where Mr. Trump's youngest son is a student, also received a loan.

Touring companies for rock bands also turned to the government for help as concert venues around the country went dark to prevent the spread of the virus.

A limited liability company called Eagles Touring Company II Foreign received a loan between \$350,000 and \$1 million. Documents filed in California show that the entity shares an agent with a similarly named company whose president is Don Henley, a founding member of the Eagles, the rock band that had to postpone its tour this spring.

Lil' Jon Touring and [Nickelback Touring 2](#), among other acts, received loans between \$150,000 and \$350,000. Lil Jon's publicist, Tamar Juda, said that the artist had canceled over 75 shows since the beginning of the pandemic and that the funds allowed his core touring staff to remain employed.

Yeezy, which California [business filings](#) show is a holding company registered to Mr. West, received between \$2 million and \$5 million to support 106 jobs, based on the disclosures. The holding company appears to be linked to Mr. West's apparel brand, having [recently filed](#) to trademark the phrase "West Day Ever" for use on clothing. Public relations firms that have worked for Yeezy did not respond to emailed requests for comment.

There was no apparent link between the amount of economic damage suffered by states and how successful the small businesses in them were at getting the loans from the program.

North Dakota, South Dakota, Nebraska and Kansas all saw loan approvals of at least 90 percent of their eligible small-business payroll, even though they rank among the [least-affected states](#) in terms of unemployment claims during the crisis. Two of the hardest-hit states for claims, New York and California, saw loan approvals equal to about three-quarters of their eligible payrolls; by that measure, California companies would have received billions more from the program if they had seen approvals at the same rate as the Plains states.

[Secretary of state: Goldwater Institute attorneys should have registered as lobbyists](#)

The Secretary of State's Office found reasonable cause that the Goldwater Institute, a Phoenix libertarian think tank and litigation center, violated a law requiring lobbyists to register with the state.

Sambo Dul, the state elections director for Secretary of State Katie Hobbs, [referred the matter to the Attorney General's Office](#) on Tuesday.

Dul's findings came in response to a complaint filed by an attorney with the lobbying and consulting firm HighGround, which clashed with Goldwater Institute over the issue of fees that Phoenix imposed on ride-hailing companies like Uber and Lyft that operate at Sky Harbor International Airport.

Jeff Kros, an attorney at HighGround, filed a complaint with the secretary of state in February arguing that two Goldwater Institute employees, Jonathan Riches and Christina Sandefur,

should have to register as authorized lobbyists because they testified in legislative committees in favor of a bill that would have [barred cities from imposing additional fees on ride-hailing services](#) that operate at airports. HighGround represents the City of Phoenix and the League of Arizona Cities and Towns, both of which opposed the bill.

State law defines lobbying as “attempting to influence the passage or defeat of any legislation by directly communication with any legislator.” A designated lobbyist is the person who is the “single point of contact” for an entity that engages in lobbying, while an authorized lobbyist is any other person who lobbies for that entity.

The Goldwater Institute has long been an active player at the Capitol, and its employees testify frequently in committees. But the organization only has one person registered as a lobbyist with the secretary of state’s office, and it contends that people like Riches and Sandefur don’t need to register because they fall under various exemptions.

However, Dul concluded that none of the exemptions applied, and said Riches and Sandefur should have registered as authorized lobbyists for the Goldwater Institute.

The Goldwater Institute argued that Riches and Sandefur were testifying as experts on the issues at hand, and therefore fell under a lobbyist registration exemption for people who testify to provide technical information or answer technical questions. But Dul rejected that claim.

“Based on the content of their testimony, Mr. Riches and Ms. Sandefur were not acting in the capacity of individuals who provide technical information, but rather that of policy advocates urging legislators to adopt a desired position,” Dul wrote.

State law exempts “natural persons” who speak only for themselves from registering as lobbyists. And even though Riches and Sandefur registered as supporters of the bill representing themselves, they identified themselves in their testimony with their titles at the Goldwater Institute and repeatedly referenced “we” or “our” position on the legislation.

While there is an exemption for lawyers who are representing clients, Dul found that Riches and Sandefur, both of whom are attorneys, were not actually representing clients when they testified. And though there’s an exemption for members of an association, she concluded that the exemption wasn’t applicable in this case.

And Dul rejected the Goldwater Institute’s argument that requiring it to register employees who testify in legislative committees as lobbyists would infringe on its First Amendment freedom of expression or its right to participate in government.

“In this case, requiring the Goldwater Institute to list employees as lobbyists before those employees appear before committees is minimally intrusive, and would do nothing to limit their access to the committees or the ability to communicate their desired message,” Dul wrote.

Dul noted that, in order to register additional employees as lobbyists, an organization such as the Goldwater Institute that is already registered with the secretary of state need only fill out an online form and submit it within five days of the lobbying activity.

Kros was pleased with the secretary of state’s findings.

“All we think is everybody should follow the same rules,” he said, echoing a complaint that some lobbyists at the Capitol have voiced about the Goldwater Institute for years.

The Goldwater Institute disagreed with Dul’s findings and is still reviewing them, spokeswoman Jennifer Tiedemann told Arizona Mirror. Tiedemann said the nonprofit organization engages in policy analysis, education and litigation, and its employees spend the bulk of their time developing and analyzing policy and litigating cases.

“We have one employee who lobbies for Goldwater, and she is registered. On rare occasions, other staffers come to the Capitol at her request to provide expert testimony, but they are not lobbyists. And, of course, none of these employees are making lobbying expenditures, which is the primary purpose of the lobbying registration statutes,” Tiedemann said.

The Attorney General’s Office confirmed that it received Dul’s referral, which will be handled by its governmental accountability unit. Attorney General Mark Brnovich worked for the Goldwater Institute from 2003-2005. Spokesman Ryan Anderson said Brnovich won’t be involved in the investigation, and noted that the attorney general has clashed several times with the Goldwater Institute in recent years.

If the attorney general finds that the Goldwater Institute must register its employees and it fails to do so, it could face a fine of up to \$1,000. Knowingly violating the lobbyist registration requirement is a class one misdemeanor, punishable by up to six months in jail and a fine of up to \$2,500.

The Goldwater Institute has long resisted calls to register its employees as lobbyists. It registered one person for the first time in 2011, but [declined a request by then-Secretary of State Ken Bennett to register more of its employees](#). Over the past decade, there have been times

when the institute had multiple employees registered as lobbyists at the same time. Currently, only Jenna Bentley, the organization's director of government affairs, is registered as a lobbyist.