



M U L T I S T A T E

**[From powerbroker to pariah: House Bill 6 allegations devastated lobbyist Neil Clark, friends say](#)** (Ohio)

In a span of nearly 40 years, lobbyist Neil Clark worked for more than 2,000 clients, handled dozens of campaigns and advised countless Ohio legislators.

He had power, influence and insight. And within minutes of FBI agents knocking on his door July 21, 2020, he had nothing.

“He went from being a major powerbroker in the Ohio Statehouse to being a pariah,” said his attorney, William Ireland. “No one wanted to touch him.”

Clark died by suicide March 15 near his home in Florida. He was 67. The man who worked decades behind the scenes in Columbus was pulled into the spotlight for his role in helping to pass House Bill 6, the legislation that sought to save two dying nuclear plants off Lake Erie. His book, “What Do I Know? I’m Just A Lobbyist,” is set to be released and [details the scandal from his perspective](#).

Those who knew Clark said House Bill 6 was just a small slice of his political work in recent years. Clark made his name handling high-profile clients for years, including the Electronic Classroom of Tomorrow online charter school, payday lenders and the nursing home industry.

But he also worked for manufacturers, beverage firms, nonprofits and entertainment centers, state records show. To many, he was gruff, profane and impulsive. To others, he offered help, loyalty and compassion.

In the early 1990s, Columbus attorney James Owen reached out to Clark over a client who had been convicted of two slayings that he didn’t commit. Owen and other attorneys sought to open avenues for the wrongfully convicted to receive funds from the state for their time in prison.

“He told me if I ever needed any help for a person who was wrongfully convicted to call him, and he would help,” Owen said. “And he did. We met several times and talked. He reached out to legislators. People told me that it would cost me, but he never charged me a penny.”

Clark grew up in Cleveland, attended Cleveland Central Catholic High School and starred as a wrestler and football player. He later went to Ohio University, where he obtained his bachelor’s and master’s degrees.

His start at the Statehouse came with the Ohio Senate Republican Caucus in the early 1980s. He worked so hard for the GOP that people called him “the 34th Senator.”

He and Democrat Paul Tipps then formed State Street Consultants, becoming the most powerful lobbyists in Columbus. The pair flourished, until an ugly falling out between the men splintered their business.

Clark rebuilt his career with Grant Street Consultants, and he continued to take on major clients. But the government was never far behind.

William Ireland, Clark’s longtime attorney, said federal authorities “had been after [Clark] for years.” In 2018, the FBI approached him involving payday lending and then-House Speaker Cliff Rosenberger.

In 2019, two men who claimed to be developers hired Clark for a planned hotel project in Cincinnati. They sought Clark’s help in changing a state law to benefit the project by amending a pending sports-betting bill.

At one point, Clark looked at one of the developers and said, “After our meeting in Columbus, I told my driver that you are either an FBI agent, or you’re retarded,” according to his book.

The so-called developers were FBI agents, and their investigation helped snare Cincinnati City Councilman Jeff Pastor and his business partner. Clark was never charged in that case.

On July 21, 2020, Clark was arrested with former Ohio House Speaker Larry Householder and three others involving House Bill 6. In a complaint, the FBI called Clark one of Householder’s closest advisers.

Initially, Clark wanted to fight the charges, as he believed the case was weak, according to his book. But Clark did not want to be scarred by the label of a felon. A trial also would have ruined him financially.

“I don’t think people realize the power and weight of the federal government; it is enough to devastate anyone,” Ireland said.

In early June, more than 100 friends and family members remembered Clark at a gathering at the Scioto Country Club. Some whispered about House Bill 6, while others talked about the lobbyist who commandeered a room with his loud laugh, quick wit and impulsive personality. They also talked about his compassion for others.

His longtime adversary in the Statehouse, lobbyist Dennis Wojtanowski, spoke of how he and Clark once were playing a round of golf when Clark took a call. In a matter of moments, Clark began screaming into his cell phone about the need to pay a bill.

Wojtanowski later learned that Clark paid for the medical costs of a young child with a genetic disorder whose mother could not afford to pay them. It was an example, Wojtanowski said, of something few people in Clark’s public life knew about him, that he had an empathetic side to his somewhat harsh image as a rainmaker.

### **[An Exxon lobbyist thought he was in a job interview. Instead, it was a secretly recorded Zoom call.](#)** (Federal)

Keith McCoy thought he was talking to a job recruiter. Speaking on a Zoom video call in May, the longtime Washington lobbyist talked openly about efforts to blunt the Biden administration’s climate agenda on behalf of the nation’s largest oil and gas company, ExxonMobil.

In reality, it was not a job interview. It was a sting conducted by Greenpeace UK, an environmental group more than 3,000 miles away.

The [release](#) of the explosive, secretly recorded video has sent a shock wave across the Atlantic and through Washington as the White House and Congress debate a major infrastructure package — and the extent to which it should invest in clean energy initiatives that directly compete with oil companies like Exxon.

McCoy, the company’s senior director for federal relations, described how ExxonMobil selects senators on which to apply pressure. The oil firm’s public support for a tax on carbon emissions, he said, was an “easy talking point” with little chance of ever passing Congress. “Nobody is going to propose a tax on all Americans and the cynical side of me says, ‘yeah, we kind of know that.’”

The excerpts, aired this week by the British broadcaster Channel 4, have led to a rare mea culpa from the chief executive of the normally unapologetic Exxon.

In a [blog post](#) Friday, CEO Darren Woods called the recorded comments “entirely inconsistent with our commitment to the environment, transparency and what our employees and management team have worked toward since I became CEO four years ago.” He reiterated the company’s public position in support of the Paris climate agreement and carbon pricing. The company declined to comment further.

Already, one top Democratic lawmaker, Rep. Ro Khanna (Calif.), is asking for Woods to testify in Congress broadly about the company’s communication on climate change, while lawmakers named in the video are distancing themselves from the company.

“It’s a confirmation of what many on the Hill and around the country have suspected,” Khanna, chair of the House Oversight Committee subcommittee on the environment, said in an interview on Friday. “And that is that the fossil fuel industry, and Exxon specifically, has been engaged in a misinformation campaign, manipulating public opinion to deny the impact of climate change.”

The clips arrive just weeks after Exxon spent millions of dollars in an unsuccessful effort to keep a [slate of new independent directors](#) off its board. Activist hedge fund leaders and pensions managers who pushed for the new board members say the company has failed to deal with climate change and plan for decarbonizing its operations.

In the video, McCoy argued Biden’s goals for cutting greenhouse gas emissions are “insane.” The president [campaigned](#) on making the country carbon neutral by the middle of the century. “We’re playing defense, because President Biden is talking about this big infrastructure package and he’s going to pay for it by increasing corporate taxes,” he said in the recording. McCoy did not respond to requests for comment.

McCoy also admitted that Exxon funded outside organizations that sought to stymie past government efforts to halt raising temperatures. “Did we join some of these ‘shadow groups’ to work against some of the early efforts? Yes, that’s true,” he said. “But there’s nothing illegal about that. We were looking out for our investments.”

And he described targeting Senate moderates, as well as those up for reelection, even as several of the Democratic lawmakers named in the video — including Sens. Mark Kelly (Ariz.), Kyrsten Sinema (Ariz.) and Jon Tester (Mont.) — say they never spoke with McCoy during the bipartisan infrastructure talks. The office of Sen. Maggie Hassan (D-N.H.) said she has never heard of McCoy.

“At no time during the bipartisan infrastructure negotiations did Kyrsten speak with or meet with this individual — nor would she be influenced by anything other than what is best for Arizona,” Sinema spokesman John LaBombard said.

McCoy claimed to talk every week to the staff of Sen. Joe Manchin III (D-W.Va.), chair of the Senate Energy and Natural Resources Committee, but the senator’s office said McCoy was aggrandizing himself during what he thought was a job interview.

“Throughout his entire public service career, Senator Manchin and those who work for him have always had an open door policy and a willingness to learn from those with varying and diverse opinions,” his office said in a statement to The Washington Post. “But recently an Exxon employee greatly exaggerated his relationship and influence with Senator Manchin’s staff in an attempt to advance his own career only to be misled by an activist organization with an agenda of their own.”

Progressive activists seized on the video to urge Democrats to ignore Exxon’s concerns and pass major climate legislation. “It’s time for President Biden to pick a side: Exxon or the American majority?” Varshini Prakash, executive director of Sunrise Movement, and Alexandra Rojas, executive director of Justice Democrats, said in a joint statement.

Through much of the 1990s and 2000s, Exxon contended the science of climate change was too uncertain to act upon — even after its in-house scientists pioneered early greenhouse gas research decades prior. Now, the company admits climate change is real, presenting itself in ads as part of the solution with its research into algae-based biofuel.

For months, Khanna’s subcommittee has been planning to hold a hearing in the fall on the spread of misinformation about climate change, threatening to subpoena Exxon if it did not cooperate.

“They have a self-interest to participate, to clear their name,” he said. “If they refuse to participate, and if it comes to a subpoena, that would be a pretty big indictment and would undermine everything Darren Woods said.”

The recording raises questions about the ethics of using subterfuge to get sources to speak candidly — a practice condoned at times in British journalism but generally off-limits for mainstream American reporters.

The tape was three years in the making, according to Lawrence Carter, a reporter at Unearthed, a Greenpeace UK affiliate. He began looking for ways to investigate the energy industry’s

lobbying on climate change after several oil majors, including Exxon, came out in support of the Paris climate accord, which calls for capping warming below 2 degrees Celsius.

“With lobbying stories, so much of it is happening behind closed doors,” said Carter, who orchestrated the recording, feeding questions to an interviewer Unearthed hired. “We felt going undercover was the only way we were going to really reveal [Exxon’s lobbying].”

“It’s not something you would do lightly because it is an invasion of privacy,” he added.

Industry codes for British broadcasters and newspaper are more permissive than U.S. publications, according to Glenda Cooper, a senior journalism lecturer at City, University of London. Intrusions such as an undercover recording can be seen as a last resort for information deemed to be in the public interest.

“It is seen as part of the investigative journalist’s tool kit, if it can be justified,” she said. “It’s not the first thing that you do.”

### **[Idaho Freedom Foundation official fined for breaking lobbyist registration law](#)** (Idaho)

Dustin Hurst, vice president of the Idaho Freedom Foundation, has been fined \$250 for lobbying on Idaho’s higher education budget without first registering as a lobbyist.

The Idaho Freedom Foundation is a Boise-based nonprofit organization that advocates for limited government. It created an organization in recent years called Idaho Freedom Action, with the same staff and offices.

Hurst is the registered agent for both organizations, according to Secretary of State records. (He also registered two new organizations in Idaho in January — the Respect America Foundation and Respect America Inc. — whose directors are from the California-based Foundation for Harmony and Prosperity.)

The Idaho attorney general’s office sent Hurst a letter on June 22 that outlines his violation. The letter says the matter was referred to the AG’s office by the Idaho secretary of state.

First, it said, Hurst did properly register as a lobbyist for the Idaho Freedom Foundation for the 2021 legislative session.

“Your lobbying for Idaho Freedom Action (IFA) is a concern,” said the letter, signed by Deputy Attorney General Robert A. Berry. “You first registered as a lobbyist for IFA on April 15, 2021. However, in your March report for IFA, you disclosed reportable expenditures of \$14,316.69 in advertising in relation to SB1179.”

That Senate bill was held up in the 2021 legislative session, amid unproven claims that Idaho’s public schools were indoctrinating students by teaching “critical race theory” in their curriculum.

The Legislature finally passed the budget bill in early May, with budget cuts.

The IFF took credit for that, in a letter to its supporters.

“IFF’s research hit higher education in the purse,” said the letter, obtained by the Idaho Capital Sun. “In 2021, legislators stripped \$2.5 million ... from the higher education budget because of social justice spending.”

The IFF said that it had “inspired” legislators to demand universities “return to their core educational mission,” but that the universities didn’t comply. This year’s legislative session, IFF helped to “ensure they felt the consequences,” the letter said.

By spending \$14,317 in advertising related to the higher-ed budget before he had registered as a lobbyist for Idaho Freedom Action, Hurst broke the law, the letter said.

The law says lobbyists must register with the Idaho secretary of state before they start lobbying, or within 30 days of being hired, designated or contracted as a lobbyist, “whichever occurs first.”

Reached at his office by the Idaho Capital Sun, Hurst declined to comment.

### **[Lobbyist seeks \\$2M fee for work on behalf of insurer that donated to state’s insurance regulator](#)** (California)

A contract dispute being waged in a Northern California courtroom is complicating the re-election plans for state Insurance Commissioner Ricardo Lara, who two years ago suspended all fundraising amid a campaign finance scandal uncovered by The San Diego Union-Tribune.

The lawsuit involves Lara's one-time boss and political mentor, former California Assembly Speaker Fabian Nunez. It also includes Rusty Areias, another former state lawmaker who now works as a Sacramento lobbyist.

Mercury Public Affairs, where Nunez is a partner, and Areias are plaintiffs in a case demanding \$2 million in lobbying and consulting fees from Applied Underwriters.

Applied Underwriters is the workers' compensation insurer at the heart of the political crisis that led Lara to publicly apologize in 2019 for breaking his campaign pledge not to accept donations from people with business interests before the California Department of Insurance. Lara's campaign had received and later returned tens of thousands of dollars to donors linked to Applied Underwriters and other insurance companies.

According to a lawsuit filed earlier this year, Nunez and Areias helped make sure San Francisco investor Steven Menzies did not forfeit a \$50 million deposit he paid to Berkshire Hathaway to acquire full control of Applied.

Menzies and his partners were so desperate to secure the California Department of Insurance's approval of the sale that they agreed to boost the deposit by \$10 million, to \$60 million, to extend the deadline and they agreed to double the initial \$1 million lobbying fee, the lawsuit said.

Just before Menzies was due to lose the \$60 million deposit, California regulators agreed not to oppose the sale plan, which was to merge an Applied subsidiary with a newly created company in New Mexico, the suit said.

Nunez and Areias quickly sought payment but their fee was not forthcoming.

"Rusty, there is a saying on Wall Street that the bears do well, and the bulls do well, but the pigs get slaughtered," co-defendant and Allied partner Alan Quasha wrote in an email to Areias, according to the complaint.

"Please send the correct bill without the 'supplement'," he added. "We would like to work together in the future, but not if trust gets damaged."

Neither Nunez nor Areias responded to requests for comment about the litigation or their contacts with Lara's office in 2019, as Applied sought approval for the Berkshire Hathaway transaction.

But their attorney issued a statement saying his clients did the job they were hired to do.

“We were successful helping avoid (Applied’s) forfeiture of their \$60 million deposit,” attorney David Millstein said by email. “The (\$2 million fee) is reasonable because, among other things, they agreed to take on a difficult matter for no fees unless they were successful.”

While California regulators did not oppose the application to launch a new company in New Mexico and merge the California policies into the new venture, they did move to take over control of the Applied subsidiary in California, known as California Insurance Co.

A San Mateo County judge approved the motion. The California Department of Insurance now controls the California Insurance Co.

A spokesman for Lara said the department could not comment on the Applied litigation because the cases are ongoing.

“As you know, in 2019, the California Department of Insurance took action against CIC to stop a merger that violated California law,” the department said in a statement. “As such, we cannot comment on pending litigation.”

An Applied attorney said the insurer does not comment on ongoing legal claims.

*‘No communications’*

The breach-of-contract lawsuit Areias and Mercury filed against Applied is pending in federal court in San Francisco.

The case is important because campaign records show Lara accepted tens of thousands of dollars in political contributions from donors associated with Applied.

Soon after the Union-Tribune reported the contributions, Lara publicly announced he would return the donations. He also pledged to avoid any future involvement in regulatory decisions affecting Applied.

Millstein said his clients did not discuss the Applied sale directly with the commissioner.

“My clients had no communications with Mr. Lara concerning the matter after he recused himself,” he wrote. “They spoke only with staff at (the California Department of Insurance).”

Applied Underwriters is a national workers' compensation insurer based in Nebraska. It has compiled an extensive regulatory record in multiple states, including California.

One of its chief products, a policy for small- and medium-sized employers marketed as EquityComp, has been the subject of dozens of complaints to regulators, including those in Sacramento.

One of Lara's predecessors called EquityComp a "bait-and-switch" product. Regulators in New York fined the company \$3 million for selling the policies, which they called illegal.

Lara, a graduate of San Diego State University, worked as a district director for Nunez before winning a seat in the state Assembly in 2010. Lara was later elected to the state Senate and narrowly won the race for insurance commissioner in 2018.

Additional reporting by the Union-Tribune in 2019 showed that Lara's office intervened to Applied's benefit in at least four cases before Department of Insurance judges. The judges are supposed to rule independently in administrative complaints.

The newspaper also connected more than \$270,000 in additional donations from various insurance interests to Lara's re-election campaign and disclosed a series of private meetings between Lara and Menzies and others with business pending before insurance regulators.

In early September 2019, Lara suspended all political fundraising and pledged full transparency going forward.

"Even though no laws or rules were broken — and these interactions did not affect or influence my official actions in any way — I must hold myself to a higher standard," he wrote in an open letter. "I can and will do better."

### *Withholding records*

While Lara stopped accepting contributions to his 2022 re-election campaign, the insurance commissioner has been slow in responding to requests for documents filed under the California Public Records Act.

The public interest nonprofit group Consumer Watchdog filed a lawsuit against Lara early last year, alleging that he failed to turn over appointment calendars, meeting information, emails and other requested communications.

The complaint, which also accused the Department of Insurance of creating records for public release that omitted specific information Lara did not want disseminated, is still pending in Los Angeles Superior Court.

Department of Insurance lawyers said they turned over all responsive records but noted that more than 100 documents related to Applied Underwriters are privileged and thus not required to be released.

“We responded to Consumer Watchdog’s PRA requests, disclosing all relevant records in accordance with California law,” the department statement said.

An attorney for Consumer Watchdog said the department has refused to search for, let alone disclose, all of its records of meetings and emailed communications with people who represented Applied.

“Commissioner Lara is not being transparent if his office is unwilling to search for meetings and messages he had with Fabian Nunez, when we know Nunez represented Applied Underwriters,” Consumer Watchdog lawyer Jerry Flanagan said.

In May, Los Angeles Superior Court Judge Mitchell Beckloff issued an order directing the department to do more to comply with the Consumer Watchdog records request but stopped short of allowing immediate depositions.

“The court notes many of the deposition topics may be resolved or clarified by less intrusive and less burdensome discovery means, including the document demands and interrogatories,” the judge ruled.

Since the May 12 court order, the Department of Insurance revealed that it was withholding approximately 400 internal emails and records of 21 meetings with Lara’s top political and legal advisers discussing how to respond to the records requests, Flanagan said.

He added that those communications are improper because senior officials are not supposed to be involved in fulfilling public records requests.

“Providing records to the public is a purely ministerial duty to be performed by disinterested government officials, not debated at length by top political advisers,” Flanagan said.

The next hearing is scheduled for Nov. 12.

Lara, who faces re-election in 2022, largely honored his pledge to suspend campaign fundraising.

Campaign reports show he collected few political contributions through most of 2020. At the end of last year, he reported \$36,000 in donations — most of it from committees run by real estate interests and the United Food and Commercial Workers union.

The re-election fundraising has picked up in recent weeks, records show.

While the latest periodic filing is not due until later this summer, interim disclosures that must be filed for larger donations show Lara accepting tens of thousands of dollars from political action committees, investment firms and other interests.

### **[San Marcos City Council punts on law requiring reporting of lobbying until after election](#)** (California)

San Marcos City Council voted 5-2 to postpone the vote on an ethics ordinance until after the Nov. 2 election, with Council Members Max Baker and Melissa Derrick dissenting on the heavily argued item.

The new law would require people defined as lobbyists in the ordinance to register with the city and report their interactions with elected city officials, city board and commission members, and city employees, who would also be required to report the interactions when certain conditions are met.

Council Member Shane Scott, who stated early in his term he would not respond to ethics complaints filed against him, moved to postpone the vote until the day after the Nov. 2 election. It was seconded by Council Member Saul Gonzales, and supported by Mayor Jane Hughson and Council Members Mark Gleason and Alyssa Garza

"To me, it seems that [they are] wanting for another council to vote on this after the elections in November, at which point none of these council members will know that much about the lobby ordinance, other than things they've heard," Derrick said, while also noting misinformation shared about the ordinance during the meeting's citizen comment period.

Scott explained his desire to postpone the vote was to create time to rewrite the ordinance, which he said "was unfair to certain groups." Scott went on to say he also believed the ordinance was not specific enough, and he expressed a desire to form a new committee to change the ordinance, which was drafted by the San Marcos Ethics Review Commission.

The ordinance used the San Marcos Police Officers Association as an example of a lobbying firm required to report its interactions with city officials.

Scott received \$9,035 in support from SMPOA in the form of mailers sent to residents twice during his successful 2020 bid for City Council. Scott did not have to report the mailers as campaign contributions under state law.

SMPOA was not the sole organization listed as a lobbying firm. The San Marcos Professional Firefighters Local No. 3963 was also listed.

Hughson noted multiple issues she had with the ordinance and suggested amendments and alternatives.

"This ordinance, in my opinion, is a sledgehammer approach that's not necessary," Hughson said of the proposed law, which includes fines of up to \$500. "I'd like to try something that meets the transparency without the sledgehammer."

Hughson went on to suggest a trial period of self regulation among council members by volunteering to self-report her interactions with lobbyists, albeit with nondescript limitations.

"What I was going to propose, instead of this ordinance as it stands today, is that we ask council members to report," Hughson said. "Same reports as noted in the ordinance, mostly the same notations on what kind of communications to report—I will volunteer to report, and I hope others will also."

Opposition of the ordinance was focused on the definition of a lobbyist and who would need to register. Broadly speaking, individuals do not have to register unless they, or a group they represent, receive economic benefit or compensation from speaking with city officials.

Attorneys, media and residents are largely exempt, as well as nonprofits unless they solicit public funding.

Baker said concerns of who the ordinance affected were unfounded.

"The postponement for this is not due," Baker said. "I think we need to do our community justice and pass this ethics agreement to make sure that lobbyists are registered."

Garza rode the center line and voiced support for the ordinance, but did not fight the postponement.

"I don't think that that anybody's going to come up with a better ordinance than this," she said. "I think that we can work on public education to make sure that the folks who came and spoke today firmly understand that a lot of what their concerns are, are not grounded in any realm of reality."