

# MULTISTATE

Lobbying | Tracking | Compliance | Consulting

## Weekly Lobbying Articles

October 19, 2017

The Hill

October 19, 2017

### Bank industry searches for wins under Trump

<http://thehill.com/business-a-lobbying/356127-bank-industry-searches-for-wins-under-trump>

United States banks and financial services companies are digging in for a long fight to curtail the Dodd-Frank Act, the Obama-era banking regulation bill.

Republicans lack the votes in the Senate to fulfill President Trump's campaign promise to "dismantle" Dodd-Frank and face pushback from Obama-era officials who still hold key regulatory roles.

That's forced the industry to seek smaller wins while the Trump administration labors to reshape and slim down federal banking and trading regulations.

"[The Trump administration] came in and they were completely naive to the workings in Washington," said a former senior Senate aide who is now on K Street. "I think the president thought whatever he says goes, not realizing the tremendous power of the folks on Capitol Hill."

Trump-appointed financial regulators have made some moves to ease Dodd-Frank rules, and it's possible that lawmakers will pass bipartisan legislation this year to ease the regulatory burden on mid-sized banks.

But financial services lobbyists and Capitol Hill aides say more significant progress on Dodd-Frank could reach well beyond next year's midterm elections.

"Companies are starting to tamp down their expectations on what really can get done," said the former Senate aide.

When Republican leaders set their 2017 agenda in January, they aimed to enact a major bill to roll back Dodd-Frank sometime in the fall. The GOP planned to have repealed and replaced the Affordable Care Act and passed a major tax overhaul soon after this summer.

Trump also promised during his campaign to take apart Dodd-Frank, even though the finance industry said the law needed to be adjusted, not destroyed.

Few on Capitol Hill or K Street expect Republicans to pass a revamp of Dodd-Frank. The CHOICE Act, a sweeping bill to rein in much of the law, passed the House in June but isn't expected to see Senate action.

But the industry is still optimistic that there will be significant regulatory changes from the administration now that Trump officials are settling into key roles.

The Financial Stability Oversight Council, for example, recently stripped AIG of its “systemically important financial institution” (SIFI) designation. That decision from the interagency group of regulators freed the insurance company from much of the enhanced oversight its messy 2008 collapse inspired.

AIG had downsized its business and ended several investment divisions responsible for the risky trades that contributed to the 2008 crisis. Prudential is now the only other nonbank with the SIFI designation, and it praised the council’s move toward focusing on larger, riskier firms.

Meanwhile, lawmakers and regulators from both parties are supportive of changing Dodd-Frank rules that automatically subject banks and financial firms with more than \$50 billion in assets to stricter oversight.

The House Financial Services Committee last week approved a bill that would ease the regulation of some banks that have more than \$50 billion in assets. To qualify, a bank would have to be focused on regional business and not pose a risk to the global financial system if it collapsed. Sens. David Perdue (R-Ga.) and Claire McCaskill (D-Mo.) introduced a companion bill to the Senate Banking Committee, where much of the bipartisan dealmaking could happen.

Four moderate Banking panel Democrats asked Chairman Mike Crapo (R-Idaho) earlier this month to put his weight behind efforts “to rationalize our financial regulatory regime.”

Sens. Joe Donnelly (Ind.), Heidi Heitkamp (N.D.), Jon Tester (Mont.) and Mark Warner (Va.) asked Crapo in a Oct. 9 letter to “reach an agreement on a regulatory reform package that can come before the committee” within weeks.

Crapo and the Senate Banking Committee’s ranking Democrat, Sherrod Brown (Ohio), both expressed support for a bipartisan regulatory reform bill, and committee members have agreed on key provisions of a potential deal. Those include clarifying the Volcker rule banning banks from making risky trades with their own capital, exempting mid-size regional and community banks from stricter government oversight and reducing the frequency of regulator stress tests.

White House chief economic adviser Gary Cohn also said Monday that lawmakers are close to a deal to raise the \$50 billion SIFI threshold, though the White House’s primary focus is on passing a tax overhaul by the end of 2017.

Anthony Cimino, head of government relations for finance industry trade group Financial Services Roundtable, said he’s encouraged by the growing “recognition that the system can be better tailored to drive economic growth.”

The Treasury Department has released two reports on financial regulations mandated by an April executive order that called for a slew of changes meant to boost growth by limiting regulations.

Cimino said the reports reflected “a massive amount of stakeholder input” and boded well for “keeping the drumbeat going” on tailoring Dodd-Frank.

**The New York Times**  
**October 19, 2017**

### **Senators Demand Online Ad Disclosures as Tech Lobby Mobilized**

<https://www.nytimes.com/2017/10/19/us/politics/facebook-google-russia-meddling-disclosure.html>

Senator John McCain and two Democratic senators moved on Thursday to force Facebook, Google and other internet companies to disclose who is purchasing online political advertising, after revelations that Russian-linked operatives bought deceptive ads in the run-up to the 2016 election with no disclosure required.

But the tech industry, which has worked to thwart previous efforts to mandate such disclosure, is mobilizing an army of lobbyists and lawyers — including a senior adviser to Hillary Clinton’s campaign — to help shape proposed regulations. Long before the 2016 election, the adviser, Marc E. Elias, helped Facebook and Google request exemptions from the Federal Election Commission to existing disclosure rules, arguing that ads on the respective platforms were too small to fit disclaimers listing their sponsors.

Now Mr. Elias’s high-powered Democratic election law firm, Perkins Coie, is helping the companies navigate legal and regulatory issues arising from scrutiny of the Russian-linked ads, which critics say might have been flagged by the disclaimers. In a two-front war, tech companies are targeting an election commission rule-making process that was restarted last month and a legislative effort in the Senate.

“I’m not going to tell you they support this bill right now,” said Senator Amy Klobuchar, Democrat of Minnesota and the lead author of the proposed Honest Ads Act.

But she and her co-author, Senator Mark Warner, Democrat of Virginia, urged the social media firms to take greater responsibility for the content that lands on their sites, including political ads and other content meant to sow discord or chaos. With Facebook and Google alone capturing an estimated 85 percent of all digital political ads, self-policing won’t cut it, they said.

“They have to realize the world has changed,” Ms. Klobuchar said.

Since 2006, most online political activity has been exempt from the rigorous regulations to which paid television, radio and print political advertising has been subject for years. The Federal Election Commission justified the so-called internet exemption rule by declaring the internet “a unique and evolving mode of mass communication and political speech that is distinct from other media in a manner that warrants a restrained regulatory approach.”

That attitude has many fewer adherents after the revelations that, in the run-up to the 2016 election, Facebook sold more than \$100,000 worth of ads to a Russian company linked to the Kremlin, while Google sold at least \$4,700 worth of ads to accounts believed to be connected to the Russian government.

Federal election law bars foreigners from spending money to attempt to influence United States elections.

“It’s ridiculous,” said Ann Ravel, a Democrat who served on the election commission from 2013 until this year. “We need to rethink all the exemptions for the internet because even if Facebook might not have known about the Russian advertising, they knew — and we all knew — that this was possible.”

The new bill would require internet companies to provide information to the election commission about who is paying for online ads.

The content and purchasers of the Russia-linked ads that ran on Facebook and Google in 2016 “are a mystery to the public because of outdated laws that have failed to keep up with evolving technology,” Ms. Klobuchar and Mr. Warner said.

The regulatory pressure comes at a particularly trying time for Google, Facebook and other tech giants. The companies, once celebrated as benevolent drivers of innovation and economic growth, are facing mounting criticism on both sides of the Atlantic for complex tax avoidance efforts, the hosting of pages used in sex trafficking, lax privacy protections and increasing monopoly power.

In response, they have ramped up lobbying and public relations campaigns, with Facebook’s chief operating officer, Sheryl Sandberg, last week whirring through Washington on an apology tour and charm offensive.

Yet government officials working on the investigations into the Russian-funded ads and the efforts to enact stricter disclosure requirements say Facebook and Google have been less than enthusiastic partners.

After initially resisting requests to turn over Russian-linked ads, Facebook has provided them to a congressional committee investigating Russian meddling in the 2016 election. But Google has yet to do so, and neither company has made the ads public.

And, in the weeks leading up to the introduction of the Klobuchar-Warner-McCain bill, Facebook told congressional aides that it is too difficult to figure out if an ad is political or commercial because candidates are often changing messages and topics. The company added that with the sheer number of ads on the site, the engineering involved in identifying political ads would be extremely challenging.

When the Federal Election Commission moved to strengthen its online disclaimer requirements in 2011 and again last year, the companies either ignored requests for input or suggested that new rules could “stand in the way of innovation,” as Facebook asserted in a 2011 comment to the commission.

Around that time, both companies paid Perkins Coie to seek exemptions from the election commission to one of the few election rules that does apply to online political activity — that political ads placed on third-party websites contain disclaimers revealing who paid for them. The exemption requests, written by Mr. Elias, the head of Perkins Coie’s political law practice, argued that it was impractical to require disclaimers on ads the size of those then being offered on Google and Facebook.

While the election commission approved Google’s request, which was submitted in 2010, by a four-to-two vote, it deadlocked three-to-three on Facebook’s request, which was submitted the next year. Facebook nonetheless proceeded as if it was exempt from the disclaimer requirement, declining to mandate that political advertisements on its platform list their sponsors.

Such disclaimers and other disclosure requirements might have helped deter the Russian-funded ads and other online efforts to meddle in the election, say advocates for stricter campaign finance rules. Mr. Elias went on to help lead research into Russian efforts to boost Donald J. Trump and damage Mrs. Clinton during the 2016 presidential campaign.

It was “kind of like the chickens coming home to roost,” said Ms. Ravel, the former commissioner.

She argued that, since Facebook was not granted an exemption to the disclaimer requirements, it should have required advertisements to include disclaimers for the past half-dozen years. But, referring to Mr. Elias, she said that “the savvy political insiders understand that there is not going to be any enforcement from the F.E.C.” because the commission has frequently deadlocked along partisan lines over enforcement matters in recent years.

Mr. Elias rejected suggestions that he helped Russia hurt Mrs. Clinton.

“Russia found a number of ways to aid Donald Trump and hurt Hillary Clinton, and the F.E.C. disclaimers would not have stopped them,” he said. The ads in question would not have triggered the disclaimers, he said, because — according to Facebook — they did not explicitly mention Mr. Trump, Mrs. Clinton or the election. In a blog post, Facebook wrote that the ads focused on amplifying “divisive social and political messages across the ideological spectrum — touching on topics from L.G.B.T. matters to race issues to immigration to gun rights.”

Citing United States intelligence findings that Russia was behind the hacking and dissemination of damaging emails from the Democratic National Committee in 2016, Mr. Elias said, “The Russians were willing to break the law to help Donald Trump. I doubt the F.E.C. disclaimers were going to be the straw that broke the camel’s back.”

Critics are not accepting that. Google and Facebook had ample opportunity to work with the Federal Election Commission to devise and implement effective and practical disclaimer rules, “but they were silent,” said Lawrence M. Noble, a former general counsel for the election commission who now serves in that position with the Campaign Legal Center, a nonprofit that pushes for stricter rules governing money in politics.

“And they are still trying to avoid regulation,” Mr. Noble said.

A Facebook official said that the company will submit comments to the election commission as it considers tightening its disclaimer rules.

And the company’s vice president for United States public policy, Erin Egan, said, “We look forward to continuing the conversation with lawmakers as we work toward a legislative solution” to “achieve transparency in political advertising.”

She pointed out that the company has enacted new policies to self-police its ads, which Facebook asserted in a company blog post “would have caught these malicious actors faster and prevented more improper ads from running” in 2016.

Riva Sciuto, a Google spokeswoman, said that strict ads policies, including limits on political-ad targeting and prohibitions on targeting based on race and religion, already exist at Google. But the company is “taking a deeper look to investigate attempts to abuse our systems, working with researchers and other companies, and will provide assistance to ongoing inquiries.”

**Washington Examiner**

**October 12, 2017**

**Tax reform can finally drain the swamp by getting rid of lobbyists**

<http://www.washingtonexaminer.com/tax-reform-can-finally-drain-the-swamp-by-getting-rid-of-lobbyists/article/2637373>

Making the tax code fairer and flatter will accomplish the Trump administration's goal of draining the swamp by weakening the power that corporate lobbyists have in Washington. The corporate side of the tax ledger, which has created a policy status quo in which some industries are taxed at a 35 percent rate while others pay no taxes, is a horrid mishmash of social engineering and corporate welfare. Lowering the rate and broadening the base will stop the government from picking winners and losers and fire a

warning shot across the bow of the corporations whose tax rate is determined more by their lobbying teams than by smart policy.

The corporate tax rate in the United States stands at 35 percent — the highest in the developed world. But it's rare that any corporation actually pays a 35 percent rate. Through a mixture of tax credits, subsidies, loopholes, deductions and more, the effective average corporate tax rate stands at 22 percent, according to the Treasury Department. Big corporations such as General Motors and Apple have had years when they've paid close to a 0 percent tax rate.

How much companies pay in taxes varies heavily by industry. The construction and retail industries, for example, pay the highest average rates, at 27 percent, while the utilities industry pays the lowest average rate at 10 percent. This is no accident. Congress passed a law during the 2008 financial crisis designed to stimulate capital investment by allowing companies to take immediate write-offs, and the utilities industry is a capital-intensive industry. The utilities industry also heavily benefits from subsidies for green energy — so the utilities that have invested in solar, wind, and other renewables have gotten massive tax benefits from the government.

Corporate lobbyists and tax-preparation firms wield a lot of political clout in order to keep it this way. There's a massive benefit to big corporations using their lobbying power to secure special tax breaks when a 35 percent rate looms over their head, and tax preparation firms get to bill longer hours with a more complicated code that's filled with credits and deductions. A lower rate means that corporations won't have the incentive to work as hard to secure the distortionary tax breaks they currently enjoy.

That's before even discussing the merits of the corporate tax. Political analysts across the ideological spectrum have argued that the corporate tax is paid not out of executives' pockets, but from the compensation of lower-tier workers. The corporate tax plays well because many Americans distrust corporations, but the money isn't coming from the C-suite, it's coming from friends and family who make up the bulk of the workforce.

Former President Barack Obama agreed with the strategy of lowering the rate while broadening the base. In the waning days of the Obama administration, the White House unveiled a corporate tax proposal that would have lowered the corporate rate to 25 percent while targeting certain credits and deductions. There was bipartisan support for the proposal, but unfortunately not enough political will to make such a major change with a lame-duck administration in office.

President Trump is right that the swamp culture of corporate lobbying in Washington is corrosive. Major corporations left and right keep big lobbying firms on their payroll in order to preserve a tax rate magnitudes lower than the statutory 35 percent rate. The proposed 20 percent rate is a good start, but 15 percent or lower would be even better. The strategy has had support across the ideological spectrum for decades.

The time for corporate tax reform is now, and it's important for those in Congress to begin to drain the swamp by weakening the power of the corporate lobbying industry.

**The Virginian-Pilot**  
**October 19, 2017**

**Northam faces conflict of interest questions over stock portfolio filled with Virginia businesses**

[https://pilotonline.com/news/government/politics/virginia/northam-faces-conflict-of-interest-questions-over-stock-portfolio-filled/article\\_83359e8b-5348-5f69-90e2-44d6cd123b73.html](https://pilotonline.com/news/government/politics/virginia/northam-faces-conflict-of-interest-questions-over-stock-portfolio-filled/article_83359e8b-5348-5f69-90e2-44d6cd123b73.html)

As a state senator, Ralph Northam began expanding his financial portfolio to include stock in companies that do extensive business in Virginia. In early 2013, he reported owning between \$10,000 and \$50,000 of stock in Dominion Energy, Virginia's largest utility and the top corporate donor to local campaigns.

Later that year, Northam voted on eight Senate bills Dominion lobbied on. As lieutenant governor in 2015, he praised legislation that suspended audits of Dominion by state regulators, a measure denounced by consumer advocates but touted on Wall Street as a boon to shareholders.

And if Northam, a Democrat, is elected governor next month, he probably will approve or veto bills that affect the utility – and very likely the value of his personal investment. The same is true for the other companies active in Virginia in which he owns stock: AT&T, Bank of America, Norfolk Southern, Kraft Heinz, DuPont, Verizon, Johnson & Johnson and Mondelez International.

Northam and his Republican opponent in the race, Ed Gillespie, have had extensive financial or business relationships with companies active in Virginia, raising questions about how those ties could influence their governance of a state known for unusually lax ethics laws. Northam's investment in Dominion – although apparently permissible under Virginia's ethics laws – already has opened him up to accusations that he has put the company's bottom line ahead of the public's interests.

In particular, he has come under attack from environmentalists for not opposing a 600-mile natural gas pipeline Dominion is planning to build with several smaller partners.

Environmentalists say the Atlantic Coast Pipeline would damage some of the state's most naturally pristine areas, while proponents – including Gillespie and Democratic Gov. Terry McAuliffe – say it would curb energy costs and create 8,800 jobs. Northam has tried to stake out middle ground by calling for a "rigorous and transparent" review of the pipeline's environmental impact.

Northam says that if elected governor, he would put his stock investments in a blind trust managed by a trustee who could sell or purchase stock without his knowledge. The campaign notes that he has backed some policies opposed by Dominion, including McAuliffe's veto of a 2016 bill that would have extended tax credits for coal plants.

"I have always put the interests of those I have served first, and I promise to do that as governor," Northam, a pediatric neurologist, said in a statement to The Washington Post.

But some pipeline opponents argue that Northam can't help but be influenced by his Dominion investments.

"Your personal investments and campaign contributions weigh on decisions, that's just reality, and Dominion is such a force in Virginia politics," said David Sligh, conservation director of Wild Virginia, a nonprofit group that opposes the pipeline.

Gillespie has mutual funds and partnership interests in three investment funds but no stock holdings, according to his campaign disclosure form. Last year, he advised four companies with vast interests in the state – AT&T, Bank of America, Microsoft and Anthem. If elected governor, Gillespie would almost surely face legislative or policymaking decisions affecting his former clients' interests.

Gifts scandal involving former Gov. Robert McDonnell triggers debate over Virginia ethics laws.

Virginia's conflict-of-interest laws generally allow lawmakers and state officials to vote on legislation affecting a company in which they own stock if colleagues own stock in the company and so also would be affected. For example, the law seems to permit Northam's votes on bills affecting the utility in 2013 because several other state senators also had holdings in Dominion.

If the rules were more stringent, ethics experts say, an administration and part-time "citizen legislature" made up of doctors, bankers, developers and lawyers would be prevented from acting on innumerable bills and policies.

"Public officials should not profit from their government service, but the reality is that people are going to have investments, and a relatively small interest shouldn't affect their decisionmaking," said Paul Nick, president of the Council on Governmental Ethics Laws, a nationwide association. "It's similar to the idea that accepting a cup of coffee shouldn't affect your decisionmaking, but an all-expense paid trip will."

Anna Scholl, executive director of Progress Virginia, a liberal advocacy group that pushes for higher ethics standards, said she thinks Northam has "complied with the letter and spirit of the law."

"The challenge is, how do you balance ethics restrictions with a citizen legislature in which they all have outside business interests?" she said.

Northam's campaign said his stock purchases were recommended by a financial adviser, "independent of anything going on in state government."

Most of the eight Senate bills Northam voted on after listing the Dominion stock on his disclosure form were technical and not controversial. Of the bills Northam voted to support, Dominion favored five and ultimately did not object to three, a company representative said.

Northam is not alone in state government in investing in Virginia companies; 10 lawmakers reported owning Dominion stock last year, according to the Virginia Public Access Project, or VPAP.

Republican Sen. Frank Wagner owned stock in Dominion valued between \$5,000 and \$50,000 when he sponsored the 2015 law suspending biennial financial audits by state regulators through 2022. He sold the stock later that year because, he said, "I didn't want what's going on with Ralph Northam. I didn't want any reproach like I was trying to help myself."

VPAP records show that Wagner, who lost the GOP primary to Gillespie, later purchased \$5,000 to \$50,000 of stock in Dominion Energy Midstream Partners, a limited partnership formed by Dominion Energy with assets separate from the state-regulated utility.

Aside from Dominion, disclosure filings show, Northam owns stock worth between \$5,001 and \$25,000 in seven companies that do significant business in Virginia and are potentially affected by legislation and policy in the state: AT&T, Bank of America, Kraft Heinz, Mondelez International, Verizon, Norfolk Southern and DuPont. He owns between \$50,001 and \$250,000 in Johnson & Johnson, another company that has interests in the state.

Some of those companies directly interact with the governor's office. McAuliffe unveiled a \$1.9 million grant from a state economic incentive fund last March to help Norfolk Southern move 165 employees to Norfolk. A few months later, McAuliffe and other officials announced that DuPont would pay \$50 million to settle claims that it contaminated 100 miles of river and floodplain. Northam's campaign said he was not involved in these decisions.

As lieutenant governor, Northam said he would not participate in tiebreaking votes on legislation affecting Dominion. None have come up. But the next governor's administration will have to consider requests for air quality permits related to the pipeline, and continue monitoring the project.

In Securities and Exchange Commission filings, Dominion says delays in pipeline permits and negative publicity could have an "adverse impact" on company finances. An analysis by Credit Suisse, a financial services company, estimated the pipeline would add about 6 percent to the value of the \$49 billion company.

If he becomes governor, Northam may also face legislation repealing the 2015 law that suspended Dominion audits. Northam has said he backed the law, signed by McAuliffe, because it increased the use of solar power and included assistance for low-income customers. But consumer advocates argue that it delays potential rate cuts and allows the utility to avoid paying millions of dollars in potential refunds.

After the Virginia Supreme Court rejected a challenge to the rate-freeze law brought by a group of utility customers, Goldman Sachs said that if not for the court decision, rate changes "could provide a head wind" of a 20-cent decrease in earnings per share.

Since his comments in 2015, Northam has steered clear of the debate.

"When an issue threatens a major donor, you don't see a lot of people stick their necks out," said Rep. Chap Petersen, D-Fairfax City, who plans to try to overturn the rate freeze next year. "The lieutenant governor was no different than anyone else."

The \$5 billion pipeline would move natural gas extracted from shale by fracking in West Virginia through central and southern Virginia and into North Carolina, with a spur flung out to Hampton Roads. Northam's leading challenger in the Democratic primary, former congressman Tom Perriello, made his opposition to the pipeline a signature issue.

On the defensive during a May debate, Northam touted a letter he wrote urging the state Department of Environmental Quality (DEQ) to "strongly consider" a more rigorous review that would analyze the pipeline's impact on individual water crossings.

But a few weeks later, DEQ said it would not issue individual permits for every waterway crossed by the pipeline. Instead, state officials would rely on the U.S. Army Corps of Engineers' water quality review. DEQ never responded to Northam's letter, and he did not follow up, public records show.

"This is the most important environmental issue facing the state, and Northam failed to use his bully pulpit," said Jonathan Sokolow, a Democratic activist who supported Perriello. "It seems improper to own stock in a company you're supposed to be regulating, and even more troubling are the campaign contributions."

Dominion has poured more than \$10.8 million into Virginia campaigns over the past two decades, more than any other company, according to VPAP. Northam's campaign and a political committee he controls received more than \$88,000. Employees of and lobbyists for the company also contributed about \$63,000. Northam has backed a ban on corporate contributions.

Gillespie also has received campaign donations from Dominion, although far less - \$53,500, plus \$20,500 from employees and lobbyists.

"Just like other companies and trade associations, Dominion is proud of the work we do every day in the communities where we live, work, and raise our families," spokesman David Botkins said. "Why should we be excluded from the political process?"

US News  
October 18, 2017

### **Top GOP Consultant Charged With Illegal Lobbying, Conspiracy**

<https://www.usnews.com/news/best-states/south-carolina/articles/2017-10-18/top-gop-consultant-charged-with-illegal-lobbying-conspiracy>

A top Republican political consultant and two former state representatives were indicted Wednesday in a corruption scheme in South Carolina's Legislature that has now ensnared half a dozen lawmakers.

Solicitor David Pascoe announced that the State Grand Jury had returned indictments against Richard Quinn on charges of criminal conspiracy and failure to register as a lobbyist. Jim Harrison, former chairman of the House Judiciary Committee, was charged with criminal conspiracy, common law misconduct and statutory misconduct.

Former Rep. Tracy Edge was indicted with those same charges, plus perjury.

Grand jurors also issued new indictments for two lawmakers already charged. Rep. Rick Quinn, the elder Quinn's son, was charged with criminal conspiracy. Sen. John Courson was charged with statutory misconduct in office. Both men already faced other misconduct charges.

Attorneys for the Quinns and Courson didn't immediately respond to emails seeking comment. A message left at Harrison's law firm wasn't immediately returned, and a phone listing for Edge was disconnected.

The indictments, released Wednesday, revealed few details about the charges. Prosecutors said the Quinns began conspiring to violate ethics and campaign finance laws as early as April 2011, "for the purpose of attaining a financial or economic advantage." From 2006 through this month, according to the indictments, Richard Quinn tried to influence lawmakers' votes without being a registered lobbyist.

Edge lied to investigators in March during questioning about the Quinns' businesses, according to an indictment.

The charges against Richard Quinn come after months of speculation, as Pascoe has continued to investigate allegations of wrongdoing among the state's lawmakers.

All of those charged thus far have been clients of Quinn, a longtime operative who has advised some of South Carolina's most notable Republicans, including Gov. Henry McMaster, U.S. Sen. Lindsey Graham and U.S. Rep. Joe Wilson. In March, state police agents raided a Columbia office that housed his consulting shop, as well as son Rick Quinn's direct-mail business, retrieving documents and flash drives, among other items.

The Quinns have long contended they keep their businesses and political clients separate, but the earlier indictment against Quinn Jr. alleged he has an economic interest in all of them.

A longtime client of Quinn Sr. is Attorney General Alan Wilson, who turned the investigation over to Pascoe in 2014 when then-House Speaker Bobby Harrell was indicted because he was worried about a conflict of interest. Wilson unsuccessfully fought to get the probe back under his control when Pascoe sought to expand it to other lawmakers.

Harrell and former House Majority Leader Jim Merrill pleaded guilty and were sentenced to probation on misconduct charges, both pledging to help authorities with their ongoing investigation. Both were also Richard Quinn clients.

A bond hearing has not been scheduled. According to Pascoe, criminal conspiracy carries a possible five years in prison and \$5,000 in fines. The illegal lobbying charge is punishable by up to a year in prison, as is statutory misconduct. Common law misconduct is punishable by up to a decade in prison and fines at the court's discretion.

The Quinns and those close to them have suggested Pascoe, a Democrat, has pushed the probe because he's seeking higher office, a theory Pascoe has denied. So far, only Republicans have been charged.

**SF Gate**  
**October 18, 2017**

**Ethics amendment campaign submits signatures for 2018 ballot**

<http://www.sfgate.com/news/article/Ethics-amendment-campaign-submits-signatures-for-12287929.php>

Supporters of a proposed government ethics constitutional amendment have turned in more than 50,000 signatures to put the measure on the 2018 ballot, the initiative campaign said Wednesday.

The amendment would tighten campaign finance and lobbying restrictions, create an independent ethics commission and require that laws changing the ballot question process pass a public vote, among other provisions. Initiative group Represent South Dakota needs nearly 28,000 valid signatures for it to go before voters in 2018.

The Secretary of State's office says the amendment is the first 2018 ballot question officials have received for review. The office will conduct a random sampling of the signatures to determine their validity.

The proposal would replace a voter-imposed ethics overhaul called Initiated Measure 22 that South Dakota lawmakers repealed this year.

"South Dakotans clearly demanded change last November with IM 22, but the will of the people was ignored; now the people are one step closer to having the final say," Mitch Richter, a cosponsor of the amendment, said in a statement. "This amendment is a response to what the Legislature has done and failed to do."

Represent South Dakota bills itself as conservative, progressive and independent state residents working together to fight corruption. It started as a local offshoot of Represent.Us, a Massachusetts-based organization working to reduce the influence of money in politics that funded the 2016 South Dakota ballot measure campaign.

A little over 51 percent of voters supported that government ethics initiative last year, but Republican lawmakers scrubbed the initiative from law just months later citing constitutional concerns.

If passed, the new constitutional amendment would largely be protected from legislative changes.

The new amendment would create a seven-member state government accountability board with broad powers to serve as a citizen ethics commission. It would require lawmakers to put \$389,000 annually indexed to inflation into a fund administered by the board.

The panel would investigate allegations of corruption and violations of lobbying, campaign finance and government ethics regulations. It would also have the authority to conduct audits of disclosures including for lobbying and campaign finance and impose sanctions such as fines on public officials.

Don Haggard, state director of South Dakota's chapter of Americans for Prosperity, the conservative advocacy group backed by billionaire brothers David and Charles Koch, said he's concerned because the commission would be a "fourth branch of government" with no check and balance. He also said the state constitution shouldn't contain political rhetoric or appropriations.

Americans for Prosperity, which fought against the 2016 ballot measure, opposes the new amendment, but hasn't decided how much of a role it will play in an opposition campaign.

The new amendment would also lower campaign donation limits. For example, it would decrease the contribution limit for a state representative from \$1,000 a year from individuals to \$500 per election cycle. It would ban donations from corporations and labor unions to candidates or political parties. It also would bar gifts from lobbyists to many public officials.

Currently, there's an annual \$100 limit on gifts that legislators and other public officials can accept from lobbyists, but gifts don't include food, beverage or entertainment for immediate consumption, among other things.

The proposed amendment also prevents the Legislature from altering or rejecting laws approved by voters without returning to the ballot.

**Seattle Weekly**  
**October 17, 2017**

### **Moon Campaign Calls Out Big Corporations for Quietly Funding Durkan Campaign**

<http://www.seattleweekly.com/news/moon-campaign-calls-out-big-corporations-for-quietly-funding-durkan-campaign/>

The Civic Alliance for a Sound Economy (CASE), a political organization sponsored by the Seattle Metropolitan Chamber of Commerce, has contributed \$611,000 to date to a Political Action Committee (PAC) called People for Jenny Durkan. The biggest chunk of that six hundred grand was just dropped a few days ago: On October 16, CASE paid \$475,000 and then \$50,000 to the Durkan PAC, according to the state's Public Disclosure Commission.

CASE's funding of a Durkan PAC means that corporations such as Amazon, Vulcan, Expedia, Starbucks, CenturyLink, and Comcast can funnel money into Jenny Durkan's mayoral candidacy without doing so directly. Amazon has contributed \$350,000 to CASE this year, for example (the largest contribution from a single entity), and Vulcan has donated a little over \$186,000, but there is no public information about how much of the \$611,000 the Jenny Durkan PAC has received comes from any one company.

It is possible, according to the Seattle Times, that "more than a dozen" companies that have contributed to CASE this year "may be barred from giving to Durkan directly due to the new Honest Elections Seattle laws" that prohibit city contractors and companies that employ lobbyists from donating to local political campaigns. But there's nothing illegal about CASE funding a Durkan PAC; it's just less transparent than the Cary Moon campaign would like.

"If big corporate interests want to fund a no-limit campaign for my opponent, they should do so with full transparency and accountability to the voters, and stop using our regional chamber of commerce as a smokescreen," said Moon in a statement Tuesday, in conjunction with a press conference at Le's Deli & Bakery, near the Othello light rail station. She used the recent, corporate-funded contributions to the

People for Jenny Durkan PAC as a springboard to talk about her plans to help small businesses thrive in Seattle.

“The more large corporations own our city, the more it will feel like an office park and continue to become a city of haves and have nots. We need to listen to and support local business owners and operators,” Moon said in a statement, adding during the press conference that “in the mayor’s race the choice is stark.” Her campaign also noted that the same companies that have contributed to CASE have also contributed to past efforts to defeat Honest Elections Seattle, municipal broadband proposals, and the city’s minimum wage. (It did not, however, note that in the spring, Moon sought a CASE endorsement, too; she filled out its questionnaire, but CASE endorsed Durkan.)

Moon announced Tuesday that she plans to support small, locally-owned businesses by establishing an office that gives small businesses technical assistance; improving access to small-business loans; implementing “the best solutions to commercial rent stabilization”; creating sector-based focus groups so the city can better communicate with small business owners; and lobbying the state to implement a “more steeply progressive B&O tax” so that small businesses will pay significantly less in taxes than their larger counterparts, among other things.

Durkan, too, has big plans to help small businesses thrive. Her plan for small-business growth, released in late September, notes that “our small businesses employ nearly 200,000 people in Seattle, or well over five times the number of people that Amazon employs here.” It also makes a lengthy list of specific proposals, including creating a Small Business Advisory Council; exempting small business startups from the city’s B&O tax for three years; incentivizing youth employment for small business owners; and “work[ing] with developers and small business owners to create more affordable commercial spaces.”

Taken together, Durkan’s and Moon’s plans for small businesses feel similar, as do their discussions of the “haves and have nots.” This is nothing new, of course, but there’s a big Amazon question facing Seattle right now: As the tech giant looks for HQ2, city leaders have sent off an apologetic letter, asking for a fresh start and a “new relationship” with the company that now owns about a fifth of all office space in the city. “Grow with us,” the letter reads.

Yet the Moon campaign seems to suggest Amazon’s outsized political contributions might encourage “large corporations [to] own our city.” After the HQ2 announcement, in a statement, Moon compared Amazon to Boeing, saying “we’ve seen with Boeing how a bidding war over billions in tax breaks for corporations only helped the wealthy few while doing nothing to keep good paying jobs here. I’m not interested in playing that game if Amazon isn’t serious about helping to pay for the impacts of their rapid growth on our city.”

With the newly-reported Amazon contributions to CASE (\$100,000 new dollars were posted on October 12), the company seems to be signaling that it’s not too interested in negotiating with Moon, either.

**Sentinel Source**  
**October 17, 2017**

**Drugs and money: how campaign donations helped put opioids on our streets**

[http://www.sentinelsource.com/opinion/editorial/drugs-and-money-how-campaign-donations-helped-put-opioids-on/article\\_5c79e45c-f7f7-5594-8bcb-1e52c57fc0e3.html](http://www.sentinelsource.com/opinion/editorial/drugs-and-money-how-campaign-donations-helped-put-opioids-on/article_5c79e45c-f7f7-5594-8bcb-1e52c57fc0e3.html)

Over the past decade, the overprescribing of opioids has been a recognized culprit in the deepening drug crisis in New Hampshire and throughout the nation. It's been no secret. Time and again, addicts have described their journey into addiction as beginning with routine medical treatment that included a prescription for painkillers.

New Hampshire lawmakers passed legislation in 2015 to limit opioid prescribing in the state, and other states have done the same. A major sticking point with curbing such prescriptions is that many patients truly need the level of pain relief opioids provide. So efforts to rein in overprescribing can run afoul of medical best practices.

But across the country there are clear-cut cases of physicians abusing the system — in which doctors write thousands of prescriptions for opioids, often directing patients to specific pharmacies that won't report the unusual volume. These "pill mills" are not that hard for law enforcement to find. One way is by tracking especially large shipments of opioids to a particular destination.

In 2016, at the height of debate over how to help states fight the growing crisis, Congress took the astounding step of passing a law that makes it almost impossible for the federal Drug Enforcement Administration to freeze such suspicious narcotic shipments.

Why? Simply put, it's because in American politics, money speaks louder than words.

According to The Washington Post, which teamed with "60 Minutes" on an investigation of the situation, drugmakers persuaded key members of Congress to push through the Ensuring Patient Access and Effective Drug Enforcement Act. They included the bill's prime sponsor, Rep. Tom Marino, R-Pa., and Sen. Orrin Hatch, R-Utah, who played a major role in brokering the deal to get it through.

Wrote the Post: "Political action committees representing the (drug) industry contributed at least \$1.5 million to the 23 lawmakers who sponsored or co-sponsored four versions of the bill, including nearly \$100,000 to Marino and \$177,000 to Hatch." The report goes on to note the drug industry spent \$106 million in lobbying between 2014 and 2016, as the bill was being debated and passed.

Note: Marino was President Trump's pick to become the nation's next drug czar, until he withdrew today.

The pressure from Congress became so strong that, in the end, even the DEA agreed to the bill. As one DEA official put it: "They would have passed this with us or without us."

The Post's report relies in part on Joseph T. Rannazzisi, who ran the DEA's division responsible for regulating the drug industry. Rannazzisi was a big part of the story on "60 Minutes" Sunday night.

The opioid crisis far exceeds the issue of pill mills; millions of Americans have misused some sort of opioid, and thousands die each month. Not all of them began their addiction through prescriptions, though many did. And at least in part because of the Ensuring Patient Access and Effective Drug Enforcement Act, millions of potent pills that could have been stopped are on the streets or in medicine cabinets.

It's appalling on its own, that those elected to represent the voters who put them there would so eagerly cash in while sentencing thousands of Americans to life-ruining addiction. Worse, the story

provides a textbook example of the ill effects of campaign spending and big-money lobbying on our system of government.

As Rannazzisi put it: “To get Congress to pass a bill to protect (drugmakers’) interests in the height of an opioid epidemic just shows me how much influence they have.”

Indeed. Like the NRA and other lobbyists, drug companies have an outsized degree of power over our nation’s politicians, and it’s because they have an almost unlimited opportunity to buy that clout through campaign donations and other incentives.

Attempts to impose limits on such vote-buying have run afoul of the Supreme Court, which has equated monetary campaign support with free speech. We disagree. Money does not equal “speech” in American politics, it equals “influence.”

And as long as the court allows that influence to be peddled in Washington by the highest bidder, average Americans will continue to be denied their rightful voice.

**The Sacramento Bee  
October 17, 2017**

**Defeating Dianne Feinstein will be expensive. Where will Kevin de León get the cash?**

<http://www.sacbee.com/news/politics-government/capitol-alert/article179203276.html>

Kevin de León needs campaign money. Otherwise, his insurgent U.S. Senate bid will be doomed before voters begin tuning in next year.

Whether the Democratic state lawmaker is able to amass enough to compete with Sen. Dianne Feinstein in the short term depends on how long he’s able to remain Senate leader and whether he’s legally allowed to use millions from his state campaign accounts for the race. The latter remains an open question, with one campaign finance expert sounding a skeptical note.

But beyond those issues lies a broader question that gets to de León’s ultimate viability: Can the 50-year-old tap liberal pocket books beyond California by making the race against one of the state’s best-known Democrats a referendum on President Donald Trump and a test of the left’s appetite for unremitting resistance?

David Quintana, a Sacramento lobbyist who is close with de León, believes the Senate race opens up a new area of support for him, specifically donors and backers clamoring for a highprofile liberal alternative to Feinstein.

“What makes Kevin so different I believe is that in this case you have not just a progressive, but a progressive ‘insider,’ ” Quintana said. “A progressive with a long list of legislative accomplishments, which I think the progressive folks are really going to be attracted to. (He’s) someone who has not just talked about, but enacted issues they care deeply about.”

But can that translate into campaign cash? Don Nielsen, director of government relations for the California Nurses Association, stressed that the organization has not endorsed in the race, but lauded de León as “brave to go up against the political establishment.” As state Senate leader, de León played a key role in getting a government-run, single-payer health care bill through the Senate.

“He stood up. That’s significant,” Nielsen said of de León’s attention to the nurses’ priority issue.

On Friday, two days before de León formally announced his campaign, California strategists Dave Jacobson and Maclen Zilber opened a Super PAC they hope will draw from the same liberal donor well.

The pair also released a pro-de León video they said was produced over the weekend. Jacobson said Monday that he hopes to build a coalition of working families, environmentalists, immigrant-rights activists, young people and “Californians who are thirsting for overhaul and a more progressive Washington.”

It’s the kind of coalition that backed Vermont Sen. Bernie Sanders, who raised more than \$17 million in California – the largest haul of any state for his presidential campaign.

An immediate question for de León, who holds his public campaign kickoff Wednesday at Los Angeles Trade Technical College, is can he use more than \$3.8 million he raised into accounts as a state candidate for a federal race? The Federal Election Commission has not issued a rule so there is no clear guidance on the question.

If de León was contributing the money to help another federal candidate, “there wouldn’t be a problem, so long as it complied with state law,” said Larry Noble, general counsel for the Campaign Legal Center, a nonpartisan election reform group.

“But if his money is establishing the Super PAC, it could be considered a contribution to his campaign, and that would be illegal,” Noble added. Jacobson said he was unaware of any discussions involving transferring the state money into his Super PAC, called “A Progressive California.”

At the national level, the liberal group Democracy for America released the results of its “pulse poll” of California members that found 63 percent want a liberal leader to challenge Feinstein next year. A spokesman for the organization pointed to the tens of millions it raised and contributed to help elect candidates nationwide since 2004. The group has endorsed de León.

Feinstein’s campaign, meanwhile, is working to diminish de León’s progressive credentials, noting he supported Democrat Hillary Clinton last year, not Sanders. De León similarly backed Eric Bauman, an insider from Los Angeles, over Kimberly Ellis, a Bay Area outsider, in the recent California Democratic Party chair’s race. Ellis narrowly lost after consolidating many Sanders supporters.

Ellis said de León “is no progressive,” in a written response for comment on the emerging Senate race.

“No matter how the L.A. political machine spins it, this is about personal ambition, not substantive policy differences,” Ellis wrote in her rebuke. “KDL embodies the worst sort of payto-play politics that progressives are trying to rid from our party. A vote for KDL is a vote for the status quo, but with a likely 12- to 24-year tenure; or until the next (musical) chair opens up.”

Feinstein has raised about \$4 million for her reelection, though she could turn to her personal fortune if pressed. On Monday, a pro-Feinstein group opened a Super PAC from SCN Strategies, the same consultants who work for Gov. Jerry Brown, Lt. Gov. Gavin Newsom and U.S. Sen. Kamala Harris.

If de León is going to catch fire, it will be through a combination of grassroots supporters and a Super PAC to equalize the financial disparity, said Doug Herman, a Democratic strategist not involved in the race.

Outside of a show of force from national progressive groups, de León’s path to financial parity becomes more complicated. Traditionally, once a legislative leader announces their next campaign, private jockeying for their seat spills out into the open, undermining their chances of pulling in money from donors usually eager to contribute.

When a new leader emerges, de León likely won't be able to rely on the deep-pocketed businesses and unions to flood his campaign with money. Further muddying the scenario for him is the fact many groups that lobby and donate money in state campaigns either don't have similar interests in Washington or lack federal committees to draw from.

Herman also noted that de León will face ongoing trouble raising money from donors reluctant to cross Feinstein.

"It's going to be very difficult for him to raise money into his campaign committee," he said. "It's super difficult for a state candidate to go federal especially against a sitting senator."

**OpenSecrets.org**  
**October 13, 2017**

### **Qatar Spent Nearly \$5 Million on U.S. Influence Campaigns Following its Isolation by Saudi Coalition**

<https://www.opensecrets.org/news/2017/10/qatar-spent-5-million-on-influence/>

Qatar has hired seven American lobbying firms and spent nearly \$5 million on U.S. lobbying and media campaigns in an effort to fight its isolation by Saudi Arabia, the United Arab Emirates, Bahrain, Egypt, and others in June.

The Saudi-led coalition began its economic and diplomatic boycott of Qatar on June 5 after the country's Emir, Sheikh Tamim bin Hamad Al Thani, allegedly praised Iran, criticized President Trump and threatened to withdraw Qatari ambassadors from several Arab states.

Qatar claimed the comments, which aired on Qatari news outlets, were planted by foreign hackers. American intelligence officials identified the UAE as the source of the statements and cyberattack, The Washington Post reported.

The long-range causes of the split include tension between Qatar and the isolating states over the former's alleged ties to terrorism, relations with Iran and support of foreign Muslim Brotherhood branches. The isolating governments consider domestic Muslim Brotherhood branches to be a threat to their legitimacy, and three have designated it a terrorist organization.

Two days after the boycott, Qatar turned to Washington: First, they hired Ashcroft Law Firm, cofounded by former U.S. Attorney General John Ashcroft, and then a second law firm — McDermott, Will & Emory — three weeks later. In late August, Qatar hired a third D.C. law firm, Stonington Strategies, then a fourth, Nelson Mullins, in September.

Last summer, it also hired Avenue Strategies Global, former Trump campaign manager Corey Leandowski's lobbying firm, according to Politico. Art Estopinan, recently hired as a partner at Avenue Strategies Global and one of the lobbyists for Qatar, was formerly Rep. Ileana RosLehtinen's (R-Fla.) chief of staff. He also previously represented the Puerto Rico Private Sector Coalition.

Qatar has also turned to advertising firms, including the Washington, D.C.-based Audience Partners Worldwide.

Most recently, Qatar's communications office hired the PR and lobbying firm BlueFront Strategies to create what would be the country's most ambitious media campaign denouncing the isolation. The campaign was designed to target the 72nd Session of the United Nations General Assembly in September.

BlueFront's services for Qatar from Sept. 12 to Oct. 1 overlapped with the UN's meeting. In total, the firm's compensation for the campaign was \$100,000.

Since June, Qatar has spent around \$4.7 million on new contracts for U.S. influence campaigns. Between 2012 and June 2017, the country spent around \$6.5 million on new contracts.

The above information comes from the Center for Responsive Politics' Foreign Lobby Watch database, which curates the public forms companies representing foreign powers must file with the Department of Justice under the 1938 Foreign Agents Registration Act (FARA).

The isolation caused some economic disruption in Qatar. It ended trade across the Saudi Arabia-Qatar border, the route Qatar had used to import around 40 percent of its food. Qatar's shipping costs temporarily spiked tenfold, and air travel routes were disrupted, as Qatar's national airline was forced to cancel 18 regional flights.

In addition to economic losses, Trump's skepticism about the Iran nuclear agreement may also have prompted Qatar's attempts to control the narrative about its isolation. Saudi Arabia and the UAE's disapproval of Qatar's relationship with Iran was central to the schism, as Saudi Arabia is engaged in proxy conflicts with Iran. If Trump were to use an exit from the deal to make Iran a pariah, it could impact Qatar's standing with the U.S., too.

Qatar's anti-isolation campaign aimed to "educate the United Nations General Assembly regarding the need to lift the blockade imposed on Qatar by certain other countries in the Middle East," according to the contract BlueFront registered under FARA. It follows a botched phone call Trump arranged between the crown prince of Saudi Arabia and Qatar's Sheikh Tamim in an attempt to mediate the crisis. Instead, the call prompted Saudi Arabia to suspend dialogue with Qatar.

The underlying goal was likely to target powerful decision-makers attending the General Assembly, including Trump. The campaign coincided with Sheikh Tamim's speech and his meeting with the president at the UN on Sept. 19.

After the campaign, the U.S. military halted some exercises in several Gulf countries, according to CBS News. Qatar hosts Al Udeid air base, the forward headquarters of U.S. Central Command.

### **Qatar's campaign**

Outlines BlueFront submitted under FARA show plans for ads across multiple platforms. Each ad contains a statement noting that Qatar's government communications office paid for it, or a link to the campaign's website where this statement is displayed.

This video was scheduled to be shown in an estimated 50 slots spread across Fox News, Fox Business, CNN, Headline News, CNBC, and MSNBC:

In 2015, Fortune estimated that a single 30-second ad slot on CNN would cost about \$5,000.

The outlines show ads destined for print and online display in The New York Times, the Financial Times, The Wall Street Journal, The Washington Post, the New York Post, and Politico.

They include designs for social media messaging, including an @LiftTheBlockade Twitter account and a Snapchat geofilter targeting the United Nations Headquarters, the Intercontinental Barclay and St. Regis hotels, the Financial District and the Times Square/Midtown areas, and John F. Kennedy Airport.

Last, they show plans for YouTube ads, Google Search ad results, and mobile truck billboards.

### **The claims**

“We will defend our independence,” full-page ads for publication in The Washington Post and the New York Post state in bold. Below is a quote from the Washington Post article reporting that American officials had identified UAE hackers as being behind the crisis.

The campaign’s references to “independence” may reflect Qatar’s interpretation of conflicts between it and Saudi Arabia as amounting to battles for the smaller nation’s sovereignty. Saudi Arabia, on the other hand, sees Qatar’s refusal to fall in line as a liability in its rivalry with Iran. This historic tension has spiked since the beginning of Arab Spring in December 2010, with Qatar supporting the revolutions, and specifically Muslim Brotherhood branches taking part in them, and Saudi Arabia opposing the movements.

The campaign materials also portray Qatar’s isolation specifically as an attack on domestic reforms. Openness to reform holds important political capital for Gulf monarchies, as countries like Saudi Arabia have sought to confront their leaders’ public images as regressive, aged rulers governing young populations. The campaign further frames the mobility restrictions that resulted from Qatar’s isolation as human rights violations.

Foremost, it stressed Qatar’s role as an ally to the U.S. in fighting terrorism, identifying Qatar as the only Gulf country to have signed a Memorandum of Understanding on terrorism with the US. Memoranda of understanding are not legally binding.

The portrayal of Qatar as an ally against terrorism seems to be a response to the heightened controversy the boycott has created surrounding its relationship with U.S.-designated “terrorist” groups.

At various points, Qatar has provided a platform for Muslim Brotherhood members, housed exiled Hamas leaders, and, until 2013, hosted an office of the Afghan Taliban.

Despite the isolating countries’ fervor in calling out Qatar’s terrorist links, they too have manipulated armed groups for strategic gain. In 2014, the UAE — perhaps the most vocal critic of Qatar’s Muslim Brotherhood ties — violated UN-backed sanctions by sending military aircraft to anti-Islamist militias in Libya, and carried out bombings in support of those forces.

Funding flowing to designated terrorist groups from private citizens has posed a problem in Saudi Arabia, the UAE, and Qatar alike.

One week following CRP’s initial request, the Qatari ambassador to the United States had not commented on the campaign.

### **BlueFront Strategies**

BlueFront Strategies was founded by Sara Fagen, a former strategist for George W. Bush’s 2004 reelection campaign and White House political director during his second term. In 2011, the advocacy firm DDC Public Affairs acquired BlueFront. Bluefront is the latest firm to contract with Qatar.

The BlueFront employees who registered under FARA to work on Qatar’s campaign also work for DDC. One, DDC’s Senior Vice President of Client Relations, formerly served as a director in Mitt Romney’s 2012 presidential campaign.

According to CRP’s political expenditures data, BlueFront was a notable recipient of campaign spending during the 2012 election cycle, receiving almost \$350,000 from three PACs. Two — Freedom First PAC and the National Rifle Association’s PAC — have donated almost exclusively to Republican federal candidates.

### **Anti-Qatar campaign**

Qatar's isolation prompted a competition between it and the isolating countries in the sphere of American public relations. In July, a Saudi-owned firm, the Saudi American Public Relations Affairs Committee (SAPRAC), created an anti-Qatar media campaign for Bahrain, as Al Jazeera reported.

Its centerpiece is The Qatar Insider, a website claiming to offer "the truth about Qatar's funding, activities and support for terrorist and extreme Islamist groups." Designed like a news website, it reposts stories that could be construed to cast Qatar in a bad light.

The Arabic version of the website reposts articles from Saudi, Emirati, and Egyptian newspapers.

CRP captured the following ad linked to The Qatar Insider when it ran in Politico, The Hill, and on NBC:

Bahrain's ambassador to the U.S. was not available to comment on the campaign. Reem Daffa, SAPRAC's vice president and executive director, was not reachable by phone.

GCC states' participation in U.S. lobbying is heavily skewed. In mid-July — about a month after the split — Saudi Arabia had contracts with 22 American lobbying firms, the UAE had 10, and Bahrain and Egypt had three and two respectively, according to The Hill. In contrast, Omani entities have not registered any contracts with U.S. firms in the past five years. Kuwait has registered one.

The expensive media campaigns states on both sides of the isolation issue have purchased contrast starkly with the harsh consequences for locals who would criticize those states' positions. The UAE has established an up-to-fifteen year sentence for those criticizing the blockade in the press, social media, or in speech. Bahrain has established an up-to-five year sentence, and Saudi Arabia announced that it could consider such expression a cybercrime.

Qatar has revoked the citizenship of two tribe leaders and over fifty of their family members in retaliation for their positions on the crisis, Al Arabiya reported.