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U.S. News & World Report

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Exclusive: Secret Witness in Senate Clinton Probe Is Ex-Lobbyist for Russian Firm

<https://www.usnews.com/news/top-news/articles/2017-11-16/exclusive-secret-witness-in-senate-clinton-probe-is-ex-lobbyist-for-russian-firm>

Senate Republicans say their investigation of Hillary Clinton's role in approving a deal to sell U.S. uranium mines to a Russian company hinges in part on the testimony of a secret informant in a bribery and extortion scheme inside the same company. The Senate committee searching for Clinton's alleged wrongdoing is keeping their witness's name cloaked. However, William D. Campbell, a lobbyist, confirmed to Reuters he is the informant who will testify and provide documents to Congress about the Obama Administration's 2010 approval of the sale of Uranium One, a Canadian company with uranium mines in the United States, to Russia's Rosatom.

At the time of the sale, Campbell was a confidential source for the FBI in a Maryland bribery and kickback investigation of the head of a U.S. unit of Rosatom, the Russian state-owned nuclear power company. Campbell was identified as an FBI informant by prosecutors in open court and by himself in a publicly available lawsuit he filed last year.

In a telephone interview, Campbell said he wanted to testify because of his concerns about Russia's activities in the United States, but declined to comment further.

Campbell's lawyer, Victoria Toensing, who has not previously identified her client, said despite Campbell telling the government "how corrupt the company was," Rosatom still got permission to buy Uranium One. She did not say what Campbell would reveal regarding any alleged wrongdoing by Clinton.

Clinton has said the Senate probe is an attempt to shift attention away from special counsel Robert Mueller's investigation into Russia's alleged role in Donald Trump's 2016 presidential campaign. As the heat from Mueller's investigation has intensified, Trump has repeatedly called for an inquiry into Clinton and the Russian uranium deal.

"This latest iteration is simply more of the Right doing Trump's bidding for him to distract from his own Russia problems," said Nick Merrill, a Clinton spokesman.

Some people who know Campbell are skeptical that he can shed much light on Uranium One. Two law enforcement officials with direct involvement in the Rosatom bribery case in which Campbell was an

informant said they had no recollection or record of him mentioning the deal during their repeated interviews with him.

Also, although both Uranium One and the bribery cases involved Rosatom, the two cases involved different business units, executives and allegations, with little other apparent overlap, Reuters found in a review of the court records of the bribery case.

Campbell countered those who dismiss his knowledge of the Uranium One deal. "I have worked with the Justice Department undercover for several years, and documentation relating to Uranium One and political influence does exist and I have it," Campbell said. He declined to give details of those documents.

Reuters was unable to learn when the closed-door testimony has been scheduled.

Trump asked that a Justice Department gag order on Campbell stemming from the bribery case be lifted so that he can testify to congressional investigators, White House officials said.

The Justice Department has partially lifted that gag order.

CAMPBELL TESTIMONY 'CRITICAL'

Campbell potentially now has a larger starring role in the Washington drama after the Justice Department said in a letter to Congress on Monday that it was considering appointing a special prosecutor to launch an investigation into Republican allegations of wrongdoing by Clinton, Trump's former political rival, in the deal.

Under Clinton, the State Department was part of a nine-agency government Committee on Foreign Investment in the United States that approved the purchase of Uranium One. Her critics, including Trump, allege large donations by people connected to the Uranium One deal made to her family's foundation influenced the State Department's decision to approve it.

Reuters has no evidence that Clinton orchestrated the approval of Uranium One.

In an email, Rosatom said the company had made no donations to the Clinton Foundation and had not asked others to do so. The foundation stressed the State Department was only one member of the committee that approved the deal and said Clinton had no personal involvement in the decision.

Senate Judiciary Committee Chairman Charles Grassley said in a letter to Toensing, Campbell's lawyer, that her client appears to have information "critical to the Committee's oversight of the Justice Department and its ongoing inquiry into the manner in which" the Uranium One sale was approved.

BRIBERY SCHEME

Campbell worked as an informant for federal authorities investigating Vadim Mikerin, a Russian official in charge of U.S. operations for Tenex, a unit of Rosatom. Authorities later accused Mikerin of taking bribes from a shipping company in exchange for contracts to transport Russian uranium into the United States. He pleaded guilty in federal court in Maryland and was sentenced to prison for four years.

The Justice Department had also initially charged Mikerin with extorting kickbacks from Campbell after hiring him as a \$50,000-a-month lobbyist.

Prosecutors alleged Mikerin had demanded Campbell pay between one-third and half of that money back to him each month under threat of losing the contract and veiled warnings of violence from the Russians. The demand prompted Campbell to turn to the FBI in 2010, which gave its blessing for him to remain part of the scheme.

Federal prosecutors were ready to use Campbell as a star witness against Mikerin, but they backed away after defense attorneys raised questions about Campbell's credibility and whether he was a victim or had "entered into a business arrangement with eyes wide open," according to court records.

Before it was taken down last year, the website of Campbell's company, Sigma Transnational, did not suggest his firm was a lobbying powerhouse. The website listed four other employees and advisers, although one had died years earlier. A second employee listed said in a court document that she never worked for the company but had agreed in 2014 to pay Campbell to list her as an employee and allow her to use the Sigma name in a business deal. Campbell declined to comment on the staffing or his lobbying contract with Tenex.

Prosecutors dropped the extortion charges against Mikerin and never mentioned Campbell again in any charging documents. A Justice Department spokeswoman declined to comment on the case. Campbell also declined to comment on the issue.

Reuters has been unable to learn why Tenex chose Campbell as its lobbyist. He acknowledged in lawsuit he filed in 2016 that he was hired despite the fact he "had no experience with nuclear fuel sales."

Texas Observer
November 16, 2017

Lawmaker on State Tax Committee Also Works for Texas' Corporate Welfare King

<https://www.texasobserver.org/drew-springer-tax-committee-lobbyist-corporate-welfare/>

In early April, in a committee room hidden in the recesses of the Texas Capitol, Representative Drew Springer was explaining a rather dense bit of legislation he had authored. House Bill 2043 would have required county tax appraisers who testify in court during high-dollar property tax disputes to get additional certification. As a result, it would have forced appraisal districts to spend more money and perhaps settle on terms less favorable to the county. If your eyes just glazed over, you're likely not a corporate tax consultant.

County officials opposed the bill, calling it a needless financial burden, but the legislation had the backing of Ryan, LLC, a Dallas consulting firm that works to secure subsidies and tax breaks for its corporate clients. Ryan also helps companies challenge property tax assessments — a thriving trade in Texas, where property taxes are high and protests can yield big savings for business.

At the hearing, a Ryan representative argued before the House Ways and Means Committee that HB 2043 would simply make the process more fair for property owners. Springer, who sits on the committee, listened quietly. He made no mention that, just three weeks before, Ryan had put him on the company payroll.

Ryan, LLC, which raked in \$530 million in earnings last year, wrenches about \$2.5 billion from public coffers per year on behalf of corporations. Its clients are among the most powerful companies in the world, including Exxon, Walmart, Verizon and Tyson.

The company's founder and namesake, G. Brint Ryan, has been a heavy hitter in Texas politics for decades. The Big Spring native currently sits on both the University of North Texas Board of Regents and the Lieutenant Governor's Tax Policy Advisory Board. Recently, he bankrolled a controversial visit to UNT by Donald Trump Jr., where Ryan enjoyed a "very exclusive and private dinner" with the president's son, and media were banned from attending the speech.

In 2016, Ryan and his wife, Amanda, and the Ryan Texas PAC spent a total of \$2 million on Texas' state elections — including a \$5,000 donation to Springer — effectively making Ryan the state's sixth largest political donor. This year, Ryan, LLC spent at least \$725,000 on statehouse lobbyists, a small army that frequently appears in front of the 11-member Ways and Means committee that oversees tax policy.

The company's aggressive pursuit of both specific tax breaks and its extensive legislative agenda at the Capitol raise questions about the propriety of Springer's dual role as lawmaker and Ryan, LLC employee.

"It's smart for one of the state's biggest tax lobbyists to have an employee on the state taxwriting committee," said Craig McDonald, director of the watchdog group Texans for Public Justice. "The whole relationship is a conflict."

Ryan told the Observer that he hired Springer in March as the director of business development services to attract new Texas clients. It's easy to see how Springer would be an asset. The three-term GOP rep from Muenster has voted for many Ryan-backed measures in the last two sessions, including legislation that would increase tax refunds, grant a tax credit for diesel fuel and triple the available sales and use tax refunds for telecommunications companies. He's also expressed interest in a bid for speaker of the House.

During an October whirlwind tour of his 300-mile-wide district, a casually dressed Springer spoke with a handful of constituents at a Mexican restaurant in Haskell. Asked about his new job, he told the Observer he couldn't recall anything this session that presented a conflict of interest. "But we'll take an eye out on it," he assured, "and continue to watch it going forward." He also said the media would help manage the conflict: "Y'all aren't shy about saying 'Hey, I think this might be a problem.'"

Though Springer's conflict of interest is particularly glaring, many Texas lawmakers are compromised in some way. Because they're only paid \$7,200 a year when the Legislature isn't in session, most Texas lawmakers keep day jobs outside the Capitol, setting up a minefield of potential conflicts and corruption. Thanks to the state's notoriously weak ethics laws, lawmakers rarely recuse themselves from votes where they might be helping or hurting their bottom line. "The ethical walls are so low and the guidelines so loose, we're always questioning who's really getting taken care of in the Legislature," said McDonald.

As of 2012, Texas was taking great care of corporations, granting \$19 billion a year in business incentives, nearly three times more than any other state, according to a New York Times investigation. Ryan, LLC typically takes 30 percent of the money it wins for clients.

Ryan's influence has drawn fire not just from the left. The far-right gadfly organization Empower Texans has inveighed against Ryan as a freeloader of sorts. "Mr. Ryan has gotten rich through the force of government," wrote Christopher Paxton, a free marketeer analyst with the group, in 2014. "For Brint Ryan and his clients, a king's ransom; for our elected leaders — the defenders of our collective public trust — a generous bounty; for us taxpayers ... the bill."

Springer isn't the first public servant to go to work for Ryan. In the early 2000s, former Comptroller John Sharp became a principal at Ryan, then simultaneously served on a 2005 tax reform commission for Governor Rick Perry. Bruce Gibson, former state representative and chief of staff for Lieutenant Governor David Dewhurst, joined Ryan, LLC as a high-paid lobbyist in 2007. Roberto de Hoyos, a top Perry aide who oversaw a major incentives program coveted by Ryan's clients, left the governor's office to work for Ryan in 2012.

John Otto was both a state representative and worked at Ryan in a position similar to Springer's from 2006 to 2015. He spent most of those years as vice chair of the House Ways and Means Committee. But Ryan told the Observer he's not maintaining an inside man.

"We aren't targeting members with a connection to Ways and Means or the Legislature," Ryan said. He stressed that lawmaker-employees are prohibited from "any involvement with legislative matters for us," adding that Springer was chosen for being "polished, gregarious and likeable." The two are also old college friends from UNT.

The Hill November 15, 2017

Facebook adds two lobbyists amid Russia probe

<http://thehill.com/policy/technology/360511-facebook-adds-two-lobbyists-amid-russia-probe>

Facebook is adding to its federal lobbying forces amid scrutiny from Congress about how the company's platform was used by Russians as part of a disinformation campaign intended to influence U.S. politics.

One of the two new hires, Luke Albee, is a former chief of staff to Sen. Mark Warner (D-Va.), the ranking Democrat on the Senate Intelligence Committee, which has been investigating Russia's use of social media platforms in the United States.

The other hire is David Wade, who served as chief of staff to former Secretary of State John Kerry.

Facebook has spent \$8.44 million on lobbying so far this year as it faces regulatory heat from lawmakers over a variety of issues regarding its size and influence.

A company spokesman declined to comment on the new hires.

According to disclosure documents filed recently, Albee was hired to lobby on "data security, online privacy, and elections integrity," while Wade will be focusing on the congressional investigation into Russian interference.

Both hires came in late October in the days leading up to Facebook's testimony before three separate congressional committees.

Reuters
November 15, 2017

U.S. Congress urged to require Chinese journalists to register as agents

<https://www.reuters.com/article/us-usa-china-media/u-s-congress-urged-to-require-chinese-journalists-to-register-as-agents-idUSKBN1DF0HU?il=0>

A report to the U.S. Congress released on Wednesday accused Chinese state media entities of involvement in spying and propaganda and said their staff in the United States should be required to register as foreign agents.

The annual report of the U.S. China Economic and Security Review Commission said that while China had tightened restrictions on domestic and foreign media, Chinese state media had rapidly expanded overseas.

The commission, created by Congress in 2000 to monitor national security implications of U.S.- China trade relations, said China's state media expansion was part of a broader effort to exert greater control over how China is depicted globally, as well as to gather information.

The report highlighted the rapid growth of the Xinhua news agency and noted that it had offices at the United Nations in New York, Washington, Chicago, Los Angeles, Houston and San Francisco.

"Xinhua serves some of the functions of an intelligence agency by gathering information and producing classified reports for the Chinese leadership on both domestic and international events," the report said.

It quoted testimony to the commission by the U.S. Government-funded rights organization, Freedom House, as saying it was a "loophole" that individuals working for Xinhua and China's People's Daily newspaper were not covered by the Foreign Agents Registration Act.

FARA, first passed in 1938 in the lead up to World War Two to combat German propaganda efforts, requires foreign governments, political parties and lobbyists they hire in the United States to register with the Department of Justice.

The China Daily, an English-language newspaper owned by China's government and ruling Communist Party, is already registered under FARA but only its top executives are required to individually disclose working for the publication.

A bipartisan group of U.S. lawmakers is working to overhaul FARA after Paul Manafort, former campaign manager for President Donald Trump, and a business associate were indicted for failing to register under the law.

The reform, backed by powerful Senate Judiciary Committee chairman Chuck Grassley, could provide an opportunity for Congress to act on the commission recommendations.

On Monday, the Kremlin-backed television station RT America registered under FARA after U.S. intelligence agencies in a report in January called it a "state-run propaganda machine" that contributed to the Kremlin's campaign to interfere with last year's U.S. presidential election.

Under the act, RT will be required to disclose financial information. Moscow has said it views the action against RT as an unfriendly act.

Herald Times Online
November 14, 2017

Head of alcohol commission 'bothered' by lobbyist booze deal

https://www.heraldtimesonline.com/wire/business/head-of-alcohol-commission-bothered-by-lobbyist-booze-deal/article_b938e1b5-4175-5e2f-9d2f-cd785d1a4e28.html

The chairwoman of a commission reviewing Indiana's antiquated alcohol laws said Tuesday that she was troubled by the actions of two powerful lobbying groups that recently announced a deal which they claim will lead to the elimination of a retail Sunday alcohol sales ban.

The Indiana Association of Beverage Retailers and the Indiana Retail Council said Friday that they resolved longstanding differences that previously led state lawmakers to give up on efforts to overturn the Prohibition-era Sunday carryout sales ban.

Liquor store owners represented by the beverage association agreed to drop their opposition to Sunday sales, which they previously argued would allow grocery stores to siphon away business on a major shopping day. In return, retailers will oppose a proposal that would allow convenience and grocery stores to sell cold beer — a right primarily enjoyed by liquor stores.

But Bev Gard, who leads the Alcohol Code Revisions Commission, says the groups are "really jumping the gun" at a time when her commission is still doing work at the Legislature's request. What's more, she noted the agreement would cut out convenience stores that are seeking the ability to sell cold — and not just warm — beer.

"The way the issue was framed, it sounds like these two associations have come to a compromise, so that's going to be the new policy for the state," said Gard, a former Republican state Senator, who said she was "bothered" by the announcement.

Any actual change in law will require legislation signed by the governor. But Indiana's package liquor stores, which have donated generously to lawmakers' campaign funds, have enjoyed outsized influence for decades.

"Obviously they've had their way for a long time," said Gard, who characterized the lobbying influence of as "significant."

The beverage retailers association did not respond to a request for comment on Gard's remarks.

The commission Gard oversees was created this year by the Legislature after debate over who can sell cold beer blew up into a major legislative fight.

It touched off when Jay Ricker, owner of Ricker's convenience stores, found a legal loophole allowing him to sell cold beer, so long as he obtained a restaurant permit and sold prepared food.

The ensuing debate pitted populists who argued for free markets against entrenched business interests, who say alcohol is a controlled substance that needs to be tightly regulated and overseen by a trusted industry. The commission was tasked with sorting through the arguments, as well the state's entire alcohol code, in order to make recommendations to lawmakers before session starts in January.

On Tuesday, commission members voted to recommend that the ban on Sunday retail alcohol sales be repealed. But they held off on making a recommendation over whether convenience and grocery stores should be allowed to sell cold beer.

Ricker noted that many retailers had been on his side — until now. He also characterized the lobbying groups' deal as "a corrupt bargain."

"That's because you have two sides that flipped their positions so that they each got something they wanted," said Ricker. "But they each look very hypocritical."

But not everyone is opposed, including state Sen. Ron Alting, who leads the Indiana Senate committee which oversees alcohol policy.

The Lafayette Republican called it "good, good, good."

"It hasn't been the fault of the General Assembly that you don't have Sunday sales," said Alting, who has received more contributions from liquor store interests than any other lawmaker in recent years. "What you need to do is blame both the package stores and big boxes. They had never come to an agreement."

NJ.com

November 14, 2017

N.J.'s most powerful to converge on Atlantic City to close door on Christie era

http://www.nj.com/politics/index.ssf/2017/11/states_most_powerful_converge_on_atlantic_city_to.html

The big election was decided a week ago. Now New Jersey's political class on Tuesday will begin to close the book on eight years of Gov. Chris Christie.

Thousands of state lawmakers, mayors, council members, government officials, businessmen, lobbyists, and lawyers will convene in Atlantic City over the next three days for the 102nd annual New Jersey League of Municipalities Conference -- one of the leading events in the Garden State's political calendar.

With the election in the books, it's time for the state's decision makers to look to a new administration following Gov.-elect Phil Murphy's decisive victory over his Republican rival and Christie's second-in-command, Lt. Gov. Kim Guadagno.

The incoming governor will close out the annual bash with a keynote address on Thursday.

Expect him to lay out his vision for the next four years and reaffirm his commitment to fulfill campaign promises that will push the state in a new direction after the Christie-era, whether it's a \$15 minimum wage, legalized marijuana or taxing the state's millionaires more to fund an ambitious set of pledges made in the run up to the election.

But between now and then, the rest of the state's officials will rub elbows and plot their plans for the new regime.

The League of Municipalities -- the nonprofit group that lobbies in Trenton on behalf of New Jersey's 565 cities and towns -- has held the event since its creation in 1915. It is now the largest gathering of municipal officials in the nation.

Attendees can take in more than 100 panel discussions and workshops about issues facing the state and its towns. Likely to be discussed this year: pension liabilities, school funding reform, and revisiting any number of items Christie rejected from the state's Democratic-controlled Legislature.

Those could be anything from the millionaires tax to tougher gun reforms.

Those things will be discussed during the day. But it's the event's nightlife where deals are more likely to be made.

Every year, politicians, unions, lobbyists, and other organizations host a string of lavish parties at casinos and venues around town. There, New Jersey's most powerful people are known to share drinks and broker deals.

WPXI

November 13, 2017

Senate Judiciary to interview Russian-American lobbyist

<http://www.wpxi.com/news/politics/senate-judiciary-to-interview-russianamerican-lobbyist/647024086>

The Senate Judiciary Committee is planning a Tuesday interview with a Russian-American lobbyist who attended a campaign meeting last year with President Donald Trump's son, according to a person familiar with the interview.

The staff interview behind closed doors with Rinat Akhmetshin is part of the committee's probe into Russian meddling in the 2016 election, as well as an ongoing investigation by Senate Judiciary Chairman Chuck Grassley into lax enforcement of the Foreign Agents Registration Act.

The person familiar with the meeting declined to be identified because it will not be publicly announced.

The panel's investigation into Russian meddling has been stalled for weeks amid disputes between Republicans and Democrats. But Grassley has long said he wants to interview Akhmetshin about why he was not registered as a foreign agent.

Congressional investigators are probing the June 2016 meeting in Trump Tower with Donald Trump Jr., as is special counsel Robert Mueller. Akhmetshin was interviewed by the House intelligence panel Monday, and has also been interviewed by the Senate intelligence committee.

In emails ahead of the Trump Tower meeting, Trump Jr. enthusiastically agreed to the sit-down with Russian lawyer Natalia Veselnitskaya and others after he was promised dirt on his father's rival, Democrat Hillary Clinton. Trump Jr. has since denied such material ever materialized.

Akhmetshin is a former military officer who has attracted congressional scrutiny over his political activities and has been shadowed by allegations of connections to Russian intelligence. Grassley said in a

March letter that Akhmetshin has "reportedly admitted to being a 'Soviet counterintelligence officer' and has a long history of lobbying the U.S. government for pro-Russia matters."

People who attended the 2016 Trump Tower meeting have made several appearances before congressional committees in recent months. The House intelligence committee earlier this month interviewed Ike Kaveladze, also known as Irakly Kaveladze, who was at the meeting as a representative of a Russian developer who once partnered with Trump to bring the Miss Universe pageant to Moscow.

Trump's son-in-law, Jared Kushner, and his then-campaign chairman, Paul Manafort, were also in the meeting. Kushner met with both intelligence panels privately this summer and Manafort met with the Senate panel. Trump Jr. had a private interview with the Senate Judiciary Committee in September, but hasn't met with the intelligence committees.

North Carolina Sen. Richard Burr, the Republican chairman of the Senate intelligence committee, has said he wants to wait to interview Trump Jr. until after committee staff has interviewed other participants in the meeting. Asked last week if the committee has interviewed all those other people, Burr said, "I think all but one."

Also attending the Trump Tower meeting were publicist Rob Goldstone, who set it up with the promise of dirt on Clinton, and a translator.

Akhmetshin has said the Justice Department's Foreign Agents Registration Act unit sent him a letter in April and told him, "it has come to our attention you should have filed for FARA." He said he didn't believe he needed to file. He has previously registered with Congress for the lobbying work, and he plans to raise this issue before Grassley's committee.

"I think I have a legal right to tell my story," he told The Associated Press earlier this year.

Reuters

November 13, 2017

Russia's RT America registers as 'foreign agent' in U.S.

<https://af.reuters.com/article/worldNews/idAFKBN1DD29M>

The Kremlin-backed television station RT America registered Monday with the U.S. Department of Justice as a "foreign agent" in the United States, the outlet's editor in chief said and the Department of Justice confirmed later in the day.

U.S. intelligence agencies said in a report in January that the television station, which broadcasts on cable in the United States, is "Russia's state-run propaganda machine" and that it contributed to the Kremlin's campaign to interfere with last year's presidential election in favour of Republican Party candidate Donald Trump.

After that report, the Department of Justice insisted that RT America comply with registration requirements under the Foreign Agent Registration Act (FARA). Under the act, RT will be required to disclose financial information.

Moscow has repeatedly denied the allegations of election meddling and said it views the actions against RT as an unfriendly act.

But RT's editor in chief, Margarita Simonyan, said on Monday that it would comply with the demand in order to avoid further legal action by the U.S. government.

"Between a criminal case and registration, we chose the latter. We congratulate American freedom of speech and all those who still believe in it," Simonyan said on Twitter.

The Department of Justice confirmed that it received a registration from T&R Productions LLC, which has operated studios for RT, hired and paid U.S.-based employees and produced Englishlanguage programming.

"Americans have a right to know who is acting in the United States to influence the U.S. government or public on behalf of foreign principals," said acting Assistant Attorney General Dana Boente.

In October, Twitter announced it would no longer allow advertisements from RT and another Kremlin-backed news organization, citing intelligence that the television station participated in efforts to influence the election.

FARA requires foreign governments, political parties and the lobbyists and public relations firms they hire in the United States to register with the Department of Justice. FARA was first passed in 1938 in the lead up to World War Two in an effort to combat German propaganda efforts.

Foreign government-owned news organizations, including China Daily, the English-language newspaper owned by China's government, register under FARA. The law applies to companies that are owned or controlled by foreign governments.

The United States and Russia are engaged in a back-and-forth over "foreign agent" registration.

Russia's parliament warned on Friday that some U.S. and other foreign media could also be declared "foreign agents" in response to the actions against RT, requiring them to regularly declare full details of their funds, financing and staffing.

U.S. government-sponsored Radio Free Europe/Radio Liberty (RFE/RL), CNN and Germany's Deutsche Welle could all be affected by the retaliatory measures, a senior Russian lawmaker said earlier on Monday.

While travelling in Asia, Trump touted the relationship between himself and Russia and posted on Twitter that improved relations with the country would "a good thing, not a bad thing."

Washington Examiner
November 9, 2017

Iowa 'power couple' caught up in Saudi Arabia lobbying controversy

<http://www.washingtonexaminer.com/iowa-power-couple-caught-up-in-saudi-arabia-lobbying-controversy/article/2640181>

As lobbyists on K Street scramble amid renewed federal interest in enforcing foreign lobbying disclosure laws, hundreds of miles away, an Iowa "power couple" appears to be grappling with a similar problem.

Foreign governments often hire Americans to lobby on behalf of their national interests, arranging public relations campaigns and meeting with government officials to represent their benefactors. In the interest of transparency, federal law requires any such work be disclosed with the Justice Department. In this case, Saudi Arabia hired Qorvis MSLGROUP to develop a campaign opposing the Justice Against Sponsors of Terrorism Act, a bill that modified the Foreign Sovereign Immunities Act to help victims of the 9/11 attacks sue Saudi Arabia.

The ensuing campaign was reported by 28Pages.org, which has documented how Qorvis enlisted dozens of political influencers around the country to represent Saudi Arabia's interests.

Among the campaign's players were Kim and Connie Schmett, two prominent Iowa Republicans who both currently serve in appointed positions with the state's government. In accepting her role, Connie did not list the lobbying work on relevant state financial disclosure forms. In doing so, however, Schmett actually may not have violated any rules. Gov. Kim Reynolds, a Republican for whom the couple reportedly hosted a recent fundraiser, has initiated a third-party review to evaluate whether that's the case, and on Tuesday asked legislators to address potential loopholes in the law.

Worse? The Qorvis campaign involved misleading veterans into participating in the lobbying efforts by offering them free trips to Washington where they met with members of Congress, all while failing to disclose Saudi Arabia's involvement. One Air Force veteran said Schmett contacted him about making a trip, attaching documents to the email that lacked indications required by the Foreign Agents Registration Act noting another country was funding the effort. After he went on the trip to Washington in January, the veteran grew suspicious and sent Schmett her FARA disclosure in a Facebook message. She responded, "... PLEASE don't share it. I'll be in BIG trouble," according to a detailed story in 28Pages.

Schmett told the Associated Press her failure to disclose the work on state forms was "an oversight on my part," maintaining, "I did what I did because I felt our veterans needed their voices needed to be heard — not to gain money, not to gain fame."

Last week, of course, Special Counsel Robert Mueller's indictment of Paul Manafort and Robert Gates included two counts of FARA violations. Lobbyist Tony Podesta and his former firm are under investigation as well. Manafort, Gates, and Podesta, among others, did not file proper FARA disclosures while working on behalf of the Ukrainian government. Former National Security Advisor Michael Flynn failed to file timely FARA disclosures while working on behalf of Turkey during the months he also served as national security advisor for the Trump campaign.

The Schmetts appear to have properly disclosed their work with DOJ, but the question remains as to whether the work was ethical, whether it complied with FARA laws, whether Connie deliberately concealed it, and whether the couple should be allowed to serve in the state's government.

Bristol Herald Courier
November 8, 2017

New Mexico weighs options for campaign finance overhaul

http://www.heraldcourier.com/news/new-mexico-weighs-options-for-campaign-finance-overhaul/article_0a1fc57a-dc3b-5cb1-bfd9-d6054a6534d0.html

Secretary of State Maggie Toulouse Oliver said Wednesday that her office needs more money to meet a legislative mandate to update New Mexico's campaign finance reporting system in order to provide more transparency and improve public access. Toulouse Oliver testified before a panel of lawmakers in Santa Fe that the technology experts in her office are overburdened and don't have the resources to create a new system for reporting and tracking political contributions.

She acknowledged that the current system is outdated and cumbersome, which limits the ability of election officials and the public to cross-check campaign spending and donations that are reported by candidates, lobbyists and political action committees.

Nearly \$1 million would be needed for the secretary of state to buy an off-the-shelf program from a vendor that could be customized to meet the state's needs.

Toulouse Oliver said another option would be partnering with a nonprofit research group, MapLight, to create a state-of-the-art system that could serve as a model for other states. That would cost around \$2.3 million.

MapLight has worked with California to build an online tool for tracking some political contributions that were previously difficult to track.

Toulouse Oliver said the nonprofit's ability to attract philanthropic funds for their own campaign finance reporting projects could end up reducing the financial burden for the state to develop a new system.

MapLight has dozens of financial backers, from the Ford and MacArthur foundations to the Jennifer and Jonathan Allan Soros Foundation.

The direction New Mexico ends up going with its reporting and tracking system will depend on how much money lawmakers are willing to set aside for the project, which state elections officials have described as the top priority given a string of campaign finance scandals in recent years.

"This is our most public and most scrutinized system," Toulouse Oliver said, explaining that any improvements would spur more accountability among candidates as well as transparency for the public regarding the influence of money on politics.

The Legislature last year approved a measure requiring the modernization of New Mexico's campaign finance information system. It called for data to be open and available in formats that could be easily

searched and downloaded for public inspection. It also called for features that would help ensure candidates were complying with the reporting law.

Officials with the Secretary of State's Office testified Wednesday that the agency will not meet the deadlines for implementing some of the requirements and that the funding will be a key to move forward.

The Detroit News
November 15, 2017

Feds: 'Pay-to-play politics' in Macomb County

<http://www.detroitnews.com/story/news/local/macomb-county/2017/11/15/bucci-indicted-macomb-corruption-scandal/107713006/>

Dino Bucci, the Macomb Township trustee and former right-hand man of Macomb County Public Works Commissioner Anthony Marrocco, was indicted Wednesday in connection with the county corruption scandal.

Bucci was charged with bribery, extortion, fraud, theft and money laundering in an 18-count indictment that accuses the politician of receiving hundreds of thousands of dollars while extorting engineering contractors who wanted public contracts, forcing county employees to drive his child to school and plow snow at his home.

Bucci, 58, is the 18th person charged in a wide-ranging investigation focused on at least three fronts: Macomb County politicians pocketing bribes in exchange for approving municipal contracts with Sterling Heights trash hauler Rizzo Environmental Services, Grosse Pointe Shores businessman Gasper Fiore's towing empire, and the Macomb County Public Works office.

County employees and contractors have complained about corruption and spoken to federal agents, county Executive Mark Hackel said Wednesday.

"This was the Macomb County version of Al Capone," Hackel said in an interview.

The indictment comes one month after Bucci was prominently referenced in a plea deal involving township contractor Christopher Sorrentino. Sorrentino admitted delivering \$66,000 in bribes to an unnamed politician at the public works office. The News previously reported that Bucci was the unnamed politician.

"Today's sweeping indictment...embodies our unbending resolve to unwind long established pay-to-play politics and call to task corrupt officials no matter where they seek to violate the public trust," acting U.S. Attorney Daniel Lemisch said in a statement.

Bucci's lawyer could not be reached for comment Wednesday.

Prosecutors allege Bucci participated in a nine-year bribery conspiracy with other public officials and contractors.

The criminal allegations against Bucci involve several other figures who have been charged amid the year-long investigation. Those include Rizzo Environmental Services CEO Chuck Rizzo, former Macomb Township Trustee Clifford Freitas and engineering contractor Paulin Modi.

If convicted, Bucci could spend more than 20 years in federal prison. He has not been arrested and could be arraigned Thursday in federal court.

Bucci directed contractors to give him tens of thousands of dollars in cash, checks and gift cards in exchange for public contracts, according to the government.

Contractors also gave him hundreds of thousands of dollars in checks and cash for political fundraising events, including golf outings and dinners in exchange for county and township contracts, according to the indictment.

"This is a game-changing moment for people in Macomb County and setting the stage so people can no longer be afraid of public officials," Hackel said.

Hackel said he encouraged county employees and contractors to talk to federal investigators after hearing complaints.

"People were impacted by this, people were getting shaken down, people were getting harassed," Hackel said. "I'm glad that the feds were listening."

During the conspiracy, Bucci also served as operations manager for the county's public works office.

Prosecutors describe a "pay-to-play" culture that required contractors to give money to Bucci and buy tickets to political fundraisers for the township politician and political allies.

Bucci used his county and township positions to extort money from people by threatening to withhold development permits and home construction, prosecutors said. Bucci pocketed tens of thousands of dollars in cash and kickbacks during a five-year period, according to the indictment.

The indictment "saddened and angered" township Supervisor Janet Dunn.

"At the outset we shall do everything in our power to recoup from anybody responsible any money wrongfully taken from the township," she said in a statement. "All other legal options available to us will be considered. Meanwhile, we shall continue to respect the legal process and I encourage all township employees to continue to cooperate with any further investigation."

Bucci stole from the county by using employees and equipment on personal projects, prosecutors said. He forced employees to plow snow at his home and his mom's house "every time it snowed," prosecutors said. During heavy snowfalls, Bucci forced county employees to plow at his friends' and relatives' homes, according to the indictment. County employees were forced to plow snow at Bucci's home before plowing county facilities, prosecutors said.

"The crimes as alleged in today's indictment highlight a pervasive pattern of past corrupt and illegal practices in Macomb County," David Gelios, special agent in charge of the FBI's Detroit office said in a statement.

The charges also come five months after new Macomb County Public Works Commissioner Candice Miller said a federal grand jury was investigating her office during Marrocco's tenure and had subpoenaed testimony from about a dozen public employees.

FBI agents were asking questions about Marrocco, who lost to Miller in the November election; Bucci, his former deputy; and millions of dollars in payments to an unnamed county contractor, Miller said.

On Wednesday, Miller recounted how, in one of her first acts as commissioner, she had Bucci escorted from the building.

"The scenario described in the federal indictment of Dino Bucci handed down today does not represent Macomb County values and is an affront to the sensibilities of the residents of our community," Miller said in a statement. "The goals of the Macomb County Public Works Office are Clean Water and Clean Government. Therefore, we appreciate the hard work done by the FBI, U.S. Attorney's Office and other agencies to stamp out corruption in Macomb County."

The indictment caps a tumultuous year for Bucci.

He was placed on administrative leave from his \$75,000-a-year job as operations manager for the engineering department in January. He retired after being accused in a civil lawsuit of soliciting a \$76,000 kickback from a local investment company that wanted a refund on certain development fees.

In February, Miller wrote a letter accusing Bucci of "corruption, extortion, bullying and unethical behavior" while outlining how a county internal investigation determined he could face discipline or be fired.

Rather than respond to Miller's letter, Bucci resigned after working for the county since 1993.