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D.C. Councilmembers, Campaign Donors, and Lobbyists Arrange Questionable Tax Breaks for Dupont Circle Development Projects

<https://www.washingtoncitypaper.com/news/housing-complex/article/20986715/dc-councilmembers-campaign-donors-and-lobbyists-arrange-questionable-tax-breaks-for-dupont-circle-development-projects>

During the summer, they [fought](#) over whether their local Safeway [should sell booze](#). But now, as fall turns to winter, elected officials in Dupont Circle agree on a more sober matter: that District lawmakers shouldn't exempt two commercial projects from millions of dollars in property taxes, as two D.C. councilmembers recently proposed.

These well-located projects are being pushed by landowners, political donors, and lobbyists who are quite familiar with the Wilson Building. Whatever the projects' merits, to some residents the prospective subsidies seem like new iterations of D.C.'s [age-old pay-to-play culture](#) that rewards special interests at taxpayers' expense.

[The first proposal](#) would grant the group that owns the [historic Masonic temple](#) at 1733 16th St. NW more than \$22 million in tax relief over 25 years. Designed by [John Russell Pope](#) and completed in 1915, the building serves as the headquarters of the [Supreme Council of Scottish Rite Freemasonry of the Southern District of the U.S.](#), a fraternal organization, and is [open to the public for tours](#).

[The other proposal](#) would grant the developers of a [hotel project](#) at [1337 Connecticut Ave. NW](#) \$2 million in tax relief over a decade. The partly vacant property is home to [two nightclubs](#) and a [Crossfit center](#).

While the proposed subsidies have yet to receive D.C. Council hearings and [haven't been scheduled](#) for votes, they're already getting an initial public vetting.

Last week, [Advisory Neighborhood Commission 2B](#) unanimously voted to oppose both bills, saying in a resolution that they "do not meet the minimum standards of public amenities or public good to offset

the loss of tax revenue.” Although [ANC actions](#) don’t constitute District policy, the D.C. Council is supposed to give them “[great weight](#).”

In an 8-0 vote with one abstention, the commissioners noted that tax breaks can be “an effective tool in urban planning,” but [should be used sparingly](#) to spark economic activity in undeveloped areas, create affordable housing, or support infrastructure.

Owners of both properties say their redevelopments would more easily succeed with government aid, in part because of [prohibitive construction costs](#) and cooling financial markets. They add that in the long run, the projects would generate more tax revenue than the potential tax relief would cost, while also [reinvigorating Dupont Circle](#).

The Masons want to [renovate their headquarters](#). The work is expected to cost \$65.8 million and include improvements to the temple’s windows, walls, exterior stones, building systems, and accessibility.

To fund a budget shortfall, the Supreme Council would lease the parking lot behind the temple to D.C.-based [Perseus Realty](#) for about \$1 million a year. Perseus would then build an apartment building there and provide replacement parking for the temple.

D.C.’s Chief Financial Officer, however, concluded in [an October analysis](#) that the tax break “is not necessary” for the renovations, and that the group has other means of bankrolling it. Those include “alternative lease terms” that could underwrite a residential component, and “unrestricted investments” that could cover the Supreme Council’s anticipated funding gap.

The body of Confederate general and Freemason [Albert Pike](#) is interred inside the building. [Flanked by sphinx statues](#) and known as the “[House of the Temple](#),” the imposing structure features a small [museum](#) dedicated to Pike.

The proposal would be a partial continuation of the status quo: The two-acre site [has been exempt](#) from property taxes for the past three years, thanks to a local budget rider. That tax relief applies for as long as the Supreme Council owns the property and it is “not used for commercial purposes.” The Supreme Council’s planned apartment building would violate this provision.

Neither the group’s Grand Commander’s Office nor Perseus Realty responded to requests for comment.

The Masons have a sponsor in Ward 5 Councilmember **Kenyan McDuffie**, who quietly [filed](#) the proposal with the D.C. Council’s Secretary in June. McDuffie chairs the legislature’s committee on business and economic development and is up for reelection next year. His office did not return a request for comment by press time.

The Masons have some hired guns, too. [Influential Wilson Building lobbyists John Ray](#) and [Tina Ang](#), of law firm [Manatt, Phelps & Phillips](#), are advocating on behalf of the [Supreme Council](#) and [Perseus](#) for the tax break, according to 2017 disclosures.

Ray, a Manatt partner who once [served](#) as an at-large D.C. councilmember and repeatedly ran for mayor, did not respond to requests for comment, nor did Ang.

They've represented big-money clients like ([now-merged](#)) [Pepco](#) and [Exelon](#), gas station mogul [Joe Mamo's Capitol Petroleum Group](#), and the New York-based [developer](#) of the [just-opened Line hotel](#) in Adams Morgan—which [may](#) or [may not](#) get a \$46 million tax break over 20 years.

[Campaign finance records](#) show that since 2012, Manatt has donated \$1,500 to McDuffie campaigns, with Ray donating \$1,000 since that year. Earlier this month, Perseus President **Bob Cohen** contributed \$500 to McDuffie's current reelection bid, as did the company's executive vice president of development, **Adam Peters**.

By law, individuals and corporations are [limited](#) to \$500 in total contributions to a particular ward-level campaign, per election cycle. The limits are higher for D.C.'s at-large and mayoral races.

The temple tax break now rests with the D.C. Council's committee on finance and revenue, which Ward 2 Councilmember **Jack Evans** chairs. His ward includes Dupont Circle.

Evans appears closely linked with the proponents of both proposed tax breaks.

Manatt [has employed](#) Evans in an “[of counsel](#)” position since late 2015, according to his [most recent financial disclosure statement](#). He reported that the side job nets him between \$50,000 and \$100,000 annually. Those payments come on top of his yearly [\\$137,000 councilmember salary](#). It is legal for D.C. councilmembers to [moonlight](#).

Neither Evans nor his spokesman responded to requests for comment. Per campaign finance records, Manatt donated \$2,500 to Evans' campaigns (which include [mayoral ones](#)) from 2003 to 2013; Ray gave \$1,450; and Ang, \$1,250. The Supreme Council gave Evans \$2,000 from 2011 to 2013.

As for Perseus employees, Cohen contributed \$3,850 to Evans campaigns from 2004 to 2015. Firm Principal **John Schwieters** donated \$500 from 2011 to 2014.

Evans quietly proposed the second tax break in November. It would eliminate up to \$200,000 a year in property taxes, over 10 years, for D.C.-based [Valor Development's](#) planned 73-room hotel project. The bill names Valor Principal **William L. Lansing** and [attorney James G. Calomiris](#) as the “principal owners” of the property, and hinges on their continued ownership.

Calomiris, whose [2016 campaign](#) for an at-large D.C. Council seat [imploded](#) after *City Paper* reported that he had pleaded guilty to a 2006 assault charge involving his then-girlfriend, and that he failed two drug tests while under court supervision, didn't respond to requests for comment.

He donated \$750 to Evans campaigns from 2003 to 2015. A [1998 City Paper article](#) reported that an attorney named "James Calomiris" hosted a fundraiser event for an Evans mayoral campaign at a downtown cigar bar. The Calomiris [family](#) has long owned and managed local real estate.

The D.C. CFO hasn't assessed this proposal yet. Lansing says the project would cost over \$35 million and would enhance Dupont Circle with "creative placemaking" and more than 50 jobs. He says the District would likely recoup the cost of the proposed tax abatement "within the first three years" of the hotel's operations.

"We're looking for a little bit of help," Lansing says, noting that "the project will go on with or without" the tax break.

Joshua Lopez, a [former campaign operator](#) for Mayors **Muriel Bowser** and **Adrian Fenty**, is lobbying on behalf of Lansing for the tax break. In a statement, Lopez calls the project "a win-win for all parties involved."

The dizzying connections are enough to make one's head spin—not unlike the [official name](#) of the Freemasons' group: "The Supreme Council (Mother Council of the World) of the Inspectors General Knights Commanders of the House of the Temple of Solomon of the Thirty-third degree of the Ancient and Accepted Scottish Rite of Free Masonry of the Southern Jurisdiction of the United States of America." Inhale!

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Ex-Industry Lobbyists Win Top Jobs in Agencies They Once Fought

<https://www.bloomberg.com/news/features/2017-12-21/ex-industry-lobbyists-win-top-jobs-in-agencies-they-once-fought>

When Cadiz Inc. wanted to build a 43-mile pipeline to pump water from a Mojave Desert aquifer to thirsty Southern California, it enlisted an army of lobbyists, lawyers and consultants to secure the federal government's sign-off.

The Obama administration blocked it anyway.

But the project's fortunes changed after the election of Donald Trump— and his appointment of David Bernhardt, one of Cadiz's former lawyers, to be second-in-command of the Interior Department.

Within months, the department had reversed course and told the Los Angeles developer it didn't need the federal government's permission after all.

In his first year as president, Trump studded his cabinet with people who previously fought to undermine what some see as the traditional missions of the agencies they now lead. EPA Administrator Scott Pruitt, for example, built his political career suing the agency and challenging what he termed its "activist agenda." Education Secretary Betsy DeVos has called public schools a "dead end." And Ben Carson, the secretary of Housing and Urban Development, downplayed proposals to cut housing aid.

Less well known — and potentially more impactful — are the former industry advocates who are now shaping policy behind the scenes in lower levels of the federal government.

Trump has placed them in regulatory roles across the bureaucracy, often in charge of the very same policies they sought to influence for previous clients and employers, according to a review by Bloomberg News. There's a former mining executive in charge of mine safety, a chemical industry representative writing chemical safety rules and a career banker whose prior company was sanctioned by the agency he has now taken over: the Office of the Comptroller of the Currency.

Trump supporters say past Democratic presidents recruited government appointees from advocacy groups and think tanks who were equally invested in matters of policy. The pro-business worldview of Republicans just means GOP presidents are more likely to appoint people who have deep government knowledge from serving as lobbyists, lawyers and executives.

"You certainly wouldn't want your airplane pilot to not know what he is doing, and you'd rather not have your doctor just come in off the street," said Mike McKenna, a Virginia-based Republican energy consultant who helped guide Trump's presidential transition. "Do you want a government run by people who know what the hell they're doing, or are you OK with it being run by a bunch of amateurs?"

The hiring of ex-lobbyists has been made easier because Trump scrapped an Obama-era requirement that they wait for two years before joining agencies they tried to influence. A revised ethics policy, issued in January, merely requires appointees to recuse themselves from matters involving former employers and clients for two years.

Even that requirement can be waived where the need for an appointee's expertise is deemed to outweigh conflict-of-interest concerns.

Bernhardt says he didn't participate in the Cadiz decision, won't benefit financially from the policy reversal and is recused from particular matters involving specific people or companies he represented in private practice.

Obama's Interior Department blocked the Cadiz project, saying the pipeline couldn't be built in a railroad's right-of-way on federal land because it wasn't originally needed by that railroad.

It had plenty of supporters, including Interior Secretary Ryan Zinke, who backed the project as a congressman, Bernhardt said.

"I've not been involved at all in any decision by the department on it," he said in an interview.

Still, Bernhardt's former law firm, Brownstein Hyatt Farber Schreck, stands to earn millions of dollars if the Cadiz pipeline gets built, according to filings with the U.S. Securities and Exchange Commission. Bernhardt said he has no ongoing stake in the project.

Bernhardt's client list from his time as a lobbyist and lawyer is packed with companies that have business before the Interior Department: affiliates of Noble Energy Company LLC, a major Gulf of Mexico oil producer; subsidiaries of Statoil AS, the Norwegian company that wants to build a wind farm off the New York coast; and a unit of Halliburton Co., the world's largest fracking services provider.

Now that Bernhardt is back at the Interior Department — he worked there previously in the administration of President George W. Bush — the agency's request forms for meetings with him specifically outline his commitment "to avoid even the potential appearance of a lack of impartiality" by

not personally participating in any particular matters that involve his former clients or current clients of his old law firm.

Bernhardt has developed a scrupulous process — he says it is “vital” — to keep him walled off from potential conflicts forbidden under his ethics agreement. He issued a memo to staff listing specific companies and the type of issues that are off limits, with a level of detail surpassing that of a similar missive from a predecessor in the Obama administration.

“Morality in this sphere is based upon the rules and laws put in place,” Bernhardt said. “I am not here to act in a way that benefits me financially.”

He carries a 4-inch-by-3-inch card that lists the companies he must avoid, to help him — and anyone showing up at Interior — navigate the ethical thicket.

Not on the card: former Bernhardt client Safari Club International Foundation, the charitable arm of Safari Club International, a hunting advocacy group. The club was elated when Bernhardt was confirmed, describing him in blog post as “an avid hunter, angler and shooter” who will help Trump “wisely manage the Interior Department’s resources.”

In November, the Interior Department’s Fish and Wildlife Service sided with the group and decided to allow big-game hunters to bring elephant carcasses from Zimbabwe into the U.S., reversing a 2014 ban.

After a public outcry, Trump put the new import plan on hold, but the new policy hasn’t been formally revoked or revised.

Bernhardt is not barred from matters of general applicability involving Safari Club International or its foundation — a category that includes broad regulations and policy moves.

“Mr. Bernhardt has worked on various matters regarding hunting including particular matters of general applicability related to elephants, which is entirely appropriate given his ethics agreement and the guidance he has received from ethics experts,” Interior spokesman Russell Newell said.

Even with all the precautions, the collision of Bernhardt's past work with current Interior Department policy decisions hands fodder to critics, while threatening to undermine the integrity of those moves. Bernhardt's very presence at Interior has cast suspicion over the Cadiz about-face.

"Only someone with a vested interest and intimate working knowledge of the agency could have engineered the quick reversal of a fairly arcane policy," said Kate Kelly, public lands director at the liberal Center for American Progress. "Bernhardt had both."

Similar scenarios are playing out across the federal government.

At the Energy Department, Sean Cunningham, a former utility lobbyist, is now a vocal champion of the Trump administration's plan to help keep coal plants online by allowing them to charge more for the power they produce. One of his former clients — FirstEnergy Corp. — is poised to be a major beneficiary.

Cunningham lobbied on behalf of power companies for more than a decade, including challenging proposals that would advantage renewable power, potentially at the expense of coal plants. Asked about conflicts, an agency spokeswoman said Cunningham's role as a registered lobbyist for FirstEnergy ended in 2008, well outside the two-year recusal window.

Cunningham kept advocating for other industry clients through at least 2013. Those include Southern Company Services Inc., Duke Energy and American Electric Power Co., according to lobbying disclosures.

He has taken a pro-coal message into his new job as the head of the Office of Energy Policy and Systems Analysis. Coal and nuclear power should be "revived, not reviled, in America," Cunningham told a conference of state electric regulators Nov. 13.

At the Agriculture Department, a former pesticide industry lobbyist has been helping to map out a blueprint for cutting red tape, after spending seven years trying to influence pesticide policy as a lobbyist for CropLife America, the trade group representing Monsanto Co., Syngenta AG and other agrichemical manufacturers.

Rebeckah Adcock's new role as the USDA's regulatory reform officer was good news for the industry. Her background gives Adcock an "an exceptional understanding" of its needs, the Southern Crop Production Association said in a news release after meeting with her in May. A current CropLife lobbyist also sat in on that meeting, according to visitors logs first reported by the New York Times and ProPublica.

Adcock had signed an ethics agreement pledging to avoid CropLife and issues she'd worked on prior to joining the Agriculture Department. But meetings with former employers and clients don't run afoul of federal ethics rules as long as they include five or more stakeholders — a threshold established in guidance issued in 2009 during the Obama administration.

The meeting "is not a violation of Ms. Adcock's ethics agreement," said Agriculture Department spokesman Tim Murtaugh.

In June, CropLife criticized a proposed rule to regulate genetically modified organisms. In November, the USDA withdrew it.

The presence of former industry insiders is especially pronounced in the Environmental Protection Agency, where at least 10 top Trump appointees previously represented industries with business before the EPA.

"Even setting aside Scott Pruitt, there is a very long list of other folks that are former industry lobbyists and industry lawyers, and it's not exactly draining the swamp," said Erik Olson, director of the Natural Resources Defense Council's health program. "It's draining the swamp and finding all the swamp creatures that were there — and then hiring them."

The former industry representatives include Erik Baptist, a senior deputy general counsel for the agency, who has gotten permission to deal with the U.S. biofuel mandate, despite his past work opposing renewable fuel quotas on behalf of the American Petroleum Institute.

In an interview, Baptist acknowledged his role but said his focus with API was on litigation not lobbying.

Similarly, Susan Bodine now leads the EPA's enforcement and compliance office after spending years representing an industry targeted by it as a lobbyist for the American Forest and Paper Association. She said in an interview that her work for the paper association focused on regulation of non-hazardous materials and was more than two years ago — falling outside the recusal window.

Nancy Beck was installed as the deputy assistant administrator of the EPA's chemical safety office, despite having previously pressed for less stringent requirements on behalf of the American Chemistry Council and its member companies, including Dow Chemical Co., DuPont Co. and Exxon Mobil Corp.

Since taking the EPA post, Beck has made things easier for industry by revising an Obama-era proposal for prioritizing and evaluating thousands of existing chemicals for their risks.

The Obama administration had proposed a rule for broadly assessing chemicals, including scrutinizing legacy uses that are outdated but whose effects persist in the environment, such as asbestos insulation still lurking inside schools and offices.

But the American Chemistry Council, with Beck still on board, pressed for risks to be evaluated more narrowly, focusing on current uses. Later, at the EPA, Beck guided an agency rewrite that mirrored the council's view.

Beck said the change was necessary to focus on chemicals that are “in the flow of commerce” and to make the rule “more implementable and workable.”

Beck had permission to tackle chemical safety issues — and general matters involving the council — because she's technically an “administratively determined” employee exempt from the Trump ethics pledge.

“I've never seen myself as an industry person, and I've never been a lobbyist,” Beck said in an interview. “I'm a scientist first — and the fact that I have experience working with a trade association and have an understanding of how industry works doesn't make me any less of a scientist.”

Some Trump appointees now charged with protecting the public have actively worked to undermine safeguards or were employed by companies cited for violating them. Consider David Zatezalo, who was just confirmed as head of the Mine Safety and Health Administration after nearly a decade with Rhino Resources Partners LP, a Kentucky coal company twice rapped by that office for an alleged pattern of violations and fined for a fatal accident in 2011. The company didn't respond to a request for comment.

At his Senate confirmation hearing, Zatezalo, a miner who rose to be chief executive officer of Rhino Resources, said local management "was not doing what they should have been doing."

Zatezalo said he was "not proud" of the episode, but he "did not try to lawyer-up and stop anything from happening."

"If you haven't done your job, we should be big kids and deal with it as such," he said.

Zatezalo has managed and operated 39 mines, a Labor Department spokesperson said, stressing that he will work to install a culture of safety at all mines.

Joseph Otting was chief executive officer of OneWest Bank Group when Treasury Secretary Steven Mnuchin was its chairman — and both were there when an agency that is now part of the Office of the Comptroller of the Currency accused it and other firms of foreclosure abuses in the years after the financial crisis.

Now Otting is the comptroller — a job that's routinely occupied by industry veterans — and has emphasized how much he understands the regulatory burdens that bankers face.

Otting's own experience with regulators reached a low point several years ago when he felt intense pressure to settle accusations of improper foreclosures at OneWest. He considered quitting his OneWest job instead of signing a settlement agreement in 2011, Otting said at a roundtable with reporters Wednesday. The memory of that moment will color how he approaches enforcement at his agency, Otting said, and he'll make sure that bankers "are given the right to prove their innocence."

Among his first actions at the comptroller's office was to cancel a high-profile program that would have removed hundreds of examiners from resident offices inside the banks they are assigned to scrutinize. The program was meant to keep government officials from getting too cozy with the Wall Street bankers they oversee, but Otting said the approach was "not practical" and other safeguards already prevented such bias.

To supporters, Otting's expertise makes him a perfect fit for the job.

"What the administration has done is to appoint some very highly successful people with a unique point of view to Washington," said Tom Quaadman, an executive vice president with the U.S. Chamber of Commerce Center for Capital Markets Competitiveness. "That's very helpful in the development of policy" since a government official with experience on the other side of regulation is more likely to understand the real-world impact of public policies, Quaadman said.

But experience and expertise don't "cure fundamental conflicts," said Amit Narang, a regulatory policy advocate at Public Citizen.

"You can claim these people have experience and expertise, but the public is losing faith in our government's ability to protect the public and to act on behalf of the public and the public interest, rather than corporate special interest," Narang said. "Even the appearance of corruption is deeply corrosive to faith in our government."

Free Beacon
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Apple Spends More on Lobbying During Trump's First Year Than Ever Before

<http://freebeacon.com/issues/apple-spends-lobbying-trumps-first-year-ever/>

Apple Inc. spent more on its lobbying efforts during President Donald Trump's first year in office than it had in any year previously, according to disclosures.

The tech giant, whose CEO Tim Cook has strongly opposed Trump's policies, has spent \$5.5 million lobbying D.C. entities through the first three quarters of 2017 and is on pace to top \$7 million by the end of the year, easily eclipsing its previous high of \$4,670,000 last year.

The company deployed eight in-house lobbyists to Capitol Hill to lobby on issues such as immigration and tax reform, disclosures show. The company also retained the help of 31 outside lobbyists from Capitol Tax

Partners, Fierce Government Relations, Franklin Square Group, DLA Piper, and the Glover Park Group, all D.C.-based firms, who were paid between \$120,000 and \$270,000 to lobby Congress, a number of government agencies, and the Trump administration.

Apple's vice president of environment, policy, and social initiatives is Lisa Jackson, former EPA chief in the Obama administration. She manages worldwide government affairs in that role.

Cook has taken steps to appease the communist government in China amid falling iPhone sales while simultaneously criticizing Trump's policies in the United States as his company was lobbying the executive office.

Cook, who says his company stays out of politics, criticized Trump's efforts to withdraw from the Paris climate accord earlier this year.

"I think it's not in the best interest of the United States what he decided," Cook told *Bloomberg*. "But in terms of, 'do you interact with politicians or do you not,' my view is that first and foremost things are about, can you help your country and if you can help your country and you do that by interacting, then you do it. The country eclipses politics."

Cook personally tried to convince Trump to remain in the agreement, according to reports at the time.

Cook also told employees in August that the company would donate \$1 million to the Southern Poverty Law Center (SPLC), a liberal nonprofit best known for its "hate map" that positions mainstream conservative organizations alongside actual racist groups, following the tragic events in Charlottesville. Cook also placed a donation button for the SPLC in its iTunes store.

Cook later attacked Trump over his position to end the Deferred Action for Childhood Arrivals program (DACA) while calling for its extension. Cook, whose company employs hundreds of DACA beneficiaries, vowed to pressure politicians on the issue.

Apple did not return a request for comment on its lobbying efforts by press time.

In addition to Cook's criticism of Trump's policies, employees at his company have donated overwhelmingly to Democrats since the 2004 election cycle, records show.

Individuals at Apple have contributed a total of \$161,410 to political candidates to date this election cycle, according to data compiled by the Center for Responsive Politics. Of this amount, \$148,151 (92 percent) has gone to Democrats while only \$5,628 has gone to Republicans.

Miami Herald
December 20, 2017

State Sen. Jack Latvala quits in face of corruption investigation, possible expulsion

<http://www.miamiherald.com/news/politics-government/state-politics/article190803584.html>

Facing a public corruption investigation and possible expulsion from the Florida Senate, Jack Latvala resigned Wednesday, a day after a retired judge concluded that he likely violated state corruption laws by trading legislative favors for physical contact and for sexually harassing and groping multiple women.

Latvala, 66, of Clearwater, a longtime Tampa Bay leader and Republican candidate for governor, sent a letter of resignation to Senate President Joe Negron in an abrupt and dramatic end to a controversial career that spanned three decades.

“I have never intentionally dishonored my family, my constituents or the Florida Senate,” Latvala wrote in the letter.

Referring to the national #MeToo movement, he wrote: “My political adversaries have latched onto this effort to rid our country of sexual harassment to try to rid the Florida Senate of me.”

Latvala’s resignation, effective at midnight Jan. 5, followed a revelation in retired Judge Ronald Swanson’s 33-page report, reportedly documented by explicit text messages from the senator over the past three years, that he agreed to support a lobbyist’s agenda if she would have sex with him or let him touch her in a sexual manner.

The woman, not identified in the report, is now a Senate employee and has known Latvala since the mid-1990s, Swanson wrote. In the report, he quoted her as stating that she ended her lobbying career “in large part so [she] would never have to owe [Latvala] anything.”

Her “testimony raises issues of public corruption and ethics violations not within the scope of this report,” Swanson wrote.

As Latvala was resigning in disgrace, the Florida Department of Law Enforcement was conducting a preliminary review of Latvala’s conduct, which Swanson said may be criminal.

Jack Latvala's letter of resignation

Latvala’s resignation also came on a day when the Senate released a second report from an independent investigator looking into anonymous claims of sexual harassment against Latvala by multiple women. The report by Tampa lawyer Gail Golman Holtzman included testimony from several unidentified women who said the lawmaker repeatedly shamed or groped them and attempted intimate physical contact in exchange for his attention to their legislative requests.

Latvala’s resignation was the third in the 40-member Senate this year. Frank Artiles, a Miami Republican, resigned in April after other senators complained about his use of racial slurs, and Lake Worth Democrat Jeff Clemens resigned in late October after he acknowledged an affair with a lobbyist.

Latvala’s future political prospects were exceedingly grim.

The Senate that he often professed to love so much had scheduled a hearing Jan. 11 to consider the Swanson report, which contains four separate findings of probable cause that Latvala repeatedly engaged in “inappropriate and unwanted” verbal and physical contact with Rachel Perrin Rogers, a Senate staff member.

In his last interview before resigning, Latvala again denied her charges. He told the Herald/Times Tuesday: “I just did not foresee this going down this way. ... It kind of puts a damper on the whole Senate.”

Bombastic, confrontational and short-tempered, Latvala was a political fixture in Tallahassee. Friends said he could be kind, but he had a volatile temperament and intimidating manner that at one time or another offended practically everybody.

He was a throwback to an earlier political time in Florida — a time that no longer exists.

The Legislature's last link to an era before term limits and an avalanche of special interest money transformed the Capitol's culture, Latvala entered politics in the mid-1970s, fresh out of Stetson University. The Republican Party was lost in the wilderness and desperate for relevance.

A protégé of Jack Eckerd, the St. Petersburg drugstore magnate and three-time candidate for U.S. Senate and governor, Latvala found work as a party operative, driving a station wagon across fast-growing Central Florida in search of Republicans willing to occupy back-bench seats in a Legislature teeming with Democrats.

"I started in 1975," Latvala recalled at a gathering of party activists in Orlando in August, days before he entered the race for governor.

In that speech, with no way to anticipate his rapid downfall, Latvala said the Republican Party had lost its way and that it risked falling out of power after two decades.

A defiant and confident Sen. Jack Latvala speaks to reporters Monday about sexual harassment allegations against him by a Senate aide.

In words that would prove prophetic, he said: "We've got to kind of look at what we've accomplished, how we're acting, how we're working together, and make sure we can continue to have the confidence of the voters of Florida."

Along the way, the rules changed.

Latvala's rollicking behavior, like telling women they "looked hot," was no longer appropriate, and what was once acceptable had become offensive.

Swanson's report cited behavior that included Latvala's making grunting or growling sounds, hugging women so tight it made them uncomfortable and drinking Grey Goose vodka in a Senate suite. Holtzman's report documented that numerous women stated they feared retaliation if they spoke out about unwelcome advances and groping, with one lobbyist saying he'd ask "What do I get?" when talking about her work, which she took to mean he was suggesting a quid pro quo for sexual favors.

A political business, too

Woodrow J. Latvala was born in 1951 in Oxford, Mississippi, but grew up in Bartow.

Before he ran for office, he not only recruited candidates to run, but along the way built a successful Pinellas-based business designing and printing campaign materials, mostly for Republicans.

He made millions of dollars as a direct mail specialist, helping candidates win races for Senate, House, sheriff, judiciary and local offices.

In 1994, the operative became the candidate. Latvala found a political opening and succeeded Curt Kiser in the state Senate, where he quickly established himself as an adept deal-maker and vote-counter.

That was also the year that Republicans finally gained a majority in the Senate, a year in which Florida's last Democratic governor, Lawton Chiles, narrowly won a second term.

Like his party, Latvala was on the rise. He quickly worked his way up to Senate majority leader, and in 1997 was ranked by the Miami Herald as the sixth most effective senator.

Termed out of office in 2002, Latvala returned to his business full time, made a comeback in 2010 and soon set his sights on one of the biggest prizes in the Capitol, the presidency of the Senate.

But it was not to be.

After four years of contentious trench warfare with Sen. Joe Negron, a lawyer from Stuart, Latvala conceded defeat in the fall of 2015.

Despite Latvala's reputation for strategic political skill, his bid for the presidency was doomed in part by backing losing candidates in key Senate races, including Jim Frishe against Sen. Jeff Brandes in Pinellas, and Mike Weinstein against Sen. Aaron Bean in greater Jacksonville.

Brandes and Bean became Negron allies, which helped seal Latvala's fate.

"He was rather unsuccessful during the election season, but he was much more successful during the legislative season," said former Senate President Don Gaetz of Niceville. "Jack knows how to pull the levers and twirl the dials of the legislative process."

After conceding to Negron, Latvala's consolation prize was the Senate's second most powerful job, chairmanship of the Appropriations Committee, a prestigious assignment that he forfeited days after the allegations exploded in the late afternoon of Nov. 3, his 66th birthday.

That hastened his isolation from his colleagues and resulted in nearly all of them cutting off contact with him, weeks before Swanson's long-awaited report became public.

"I was voted off the island," Latvala said in early December.

Hometown projects

As a senator, Latvala packed state budgets with millions of dollars for hometown projects. He was frequently seen rooting for the Rays at Tropicana Field, fervently supported Florida's pro sports teams, and could be counted on to seek taxpayer money for a new Rays stadium.

He was adept at building bipartisan coalitions to seize control of the agenda, at times breaking away from the conservative leadership.

Two noteworthy examples are his defense of the traditional state pension fund from efforts to switch it to a private 401(k)-style plan and his successful defeat of an attempt by Gov. Rick Scott to expand privatization of state prisons.

Both times, Latvala skillfully exploited schisms in the Senate to forge unlikely alliances between urban and rural senators and between Republicans and Democrats.

He also championed the Florida Forever land preservation program, backed local police and firefighters and their unions, and defended home rule powers of cities and counties.

More than most fellow Republicans, he has advocated better pay for state workers.

“Senator Latvala is a tough conservative. Nobody should question that,” says Rich Templin, a longtime lobbyist for the Florida AFL-CIO. “But he tempers that conservatism with an open mind and compassion when the facts warrant it. Rather than rely on three-second sound bites or bumper sticker politics, he’s always been willing to do the more difficult work of really digging into an issue.”

Latvala was the only Republican senator who in 2017 voted against putting a major property tax break proposal before Florida voters. The proposal seeks to raise Florida’s homestead exemption from \$50,000 to \$75,000.

The proposed tax break, which will be on the 2018 ballot, was opposed by cities and counties but is widely expected to pass.

Bluster and bombast

More than those votes, however, Latvala will be remembered for the bluster and bombast that defined his personality, and inevitably, his conduct in the presence of women that ruined his career, a year before he was to have been termed out of office.

Asked after his return to the Senate in 2011 how the capital had changed during his eight-year absence, Latvala said: “It’s a lot meaner.”

But his colleagues, and more than a few lobbyists, said Latvala could be among the meanest.

A prodigious fund-raiser, Latvala formed the Florida Leadership Committee, which under the state’s loosely regulated campaign finance system allows individual lawmakers to solicit unlimited donations from the many special interests seeking favors from the Legislature.

As his long-shot bid for governor quickly collapsed in the days after the allegations surfaced, leaving him with no path to political survival, Latvala still had more than \$4 million in the committee but with no obvious reason to spend it.

He relished confrontation and publicly taking on political enemies, who at various times included Scott, former Govs. Jeb Bush and Charlie Crist and, most recently, House Speaker Richard Corcoran, R-Land O’Lakes.

Corcoran, who disparaged Latvala as power-hungry and as Tallahassee’s consummate “transactional” deal-making politician, was the first leading Republican officeholder to call for Latvala to immediately resign his seat on Nov. 3.

Scott joined that growing crowd Wednesday, saying: “Resigning is the best thing he can do now for his constituents, colleagues and the state.”

The governor must call a special election to replace Latvala in Senate District 16 in Pinellas and Pasco counties.

Washington Post
December 19, 2017

Dorothy McAuliffe put aside pomp as hard-lobbying Virginia first lady

https://www.washingtonpost.com/local/virginia-politics/dorothy-mcauliffe-put-aside-pomp-as-hard-lobbying-virginia-first-lady/2017/12/18/e79fc510-e402-11e7-833f-155031558ff4_story.html?utm_term=.0bf8828669f8

Stepping into the role of first lady four years ago, Dorothy McAuliffe knew not to mess with certain traditions that come with living in Virginia's 200-year-old Executive Mansion.

"At the dining room table, they always put the governor in the southernmost seat," McAuliffe said, recalling instructions she got right from the get-go from head butler Martin "Tutti" Townes.

But outside of the mansion, she's been a trailblazer.

McAuliffe, 54, was the first Virginia first lady to set up her office in the Patrick Henry Building, where cabinet secretaries and agency heads work.. She was the first to heavily push for legislation, buttonholing senators and delegates with all the persistence — and none of the pay — of the professional lobbyists swarming Capitol Square.

Her priorities — childhood nutrition chief among them — largely remained in the noncontroversial, feel-good realm occupied by prior first ladies. But not exclusively. She helped rescue a gun deal on the brink of collapse. She served on a task force that tackled a backlog of untested rape kits. Earlier this year, she publicly mulled a run for Congress before ultimately taking a pass.

She did so with two of her five children still at home and while fulfilling the traditional role of first lady: headlining public events, hosting receptions and making improvements to the mansion, the oldest continuously occupied governor's residence in the nation. She brought backyard chickens to the grounds, added a ramp to improve handicapped access and had the letters of two enslaved women who once toiled there memorialized on bronze plaques.

McAuliffe leaves the role next month when her husband, Gov. Terry McAuliffe (D), wraps up his four-year term. Virginia is the only state to prohibit the governor from serving back-to-back terms.

McAuliffe's husband approached his job with the over-the-top exuberance of a man with an exclamation point in the title of his autobiography, "What a Party!" The first lady, like most of humanity, is more

understated than Terry McAuliffe. She could even pass for demure. Yet she also has a grit and passion that helped her pull off accomplishments of her own.

Those include expanding nutrition programs in schools across the state, which last year served 10 million more breakfasts than in 2013. She lobbied the General Assembly for the expansion, securing \$2.7 million in the budget over three years — a funding pool that allowed the state to draw down \$22 million a year in federal money. She also established a public-private partnership with the No Kid Hungry campaign, boosting the number of after-school meals and snacks served by 2 million a year. And she helped convince the legislature to establish a system that would provide more funding to school districts serving children of military personnel.

“She was not aggressive about it at all, very pleasant, but also very persistent,” said state Sen. Emmett W. Hanger Jr. (R-Augusta), a veteran legislator who could not recall another first lady regularly lobbying.

“She basically worked the halls up there,” Hanger said. “She would schedule appointments. You know how it works, we don’t always show up when we think we will. But we’d find her waiting politely like everybody else. She didn’t just blow in and say, ‘Hey, I’m the first lady. Here I am.’ ”

Retired Adm. John C. Harvey Jr., the state’s secretary of veterans and defense affairs, worked with McAuliffe on legislation to bring more resources to schools serving military families.

“We were having a difficult time with the language for a couple reasons with the majority,” he said. “I’m sitting there in the afternoon, I thought I had a deal and all of a sudden I don’t have a deal.”

He called McAuliffe, who rushed over to the committee meeting and was able to iron out the language with Republicans. As the first lady entered the hearing room, an observer whispered to the four-star admiral: “Okay, so you brought in the big guns.”

During a recent interview in her office, McAuliffe said talking to lawmakers just seemed natural. “If you wanted to make impact in certain areas and you saw that legislation or budget amendments might be a way to make impact, it seemed like the natural thing to do, to go talk to people,” said McAuliffe, a Georgetown University Law Center graduate who practiced banking and securities law for several years.

Other first ladies pursued substantive agendas, but in more reserved style.

Virginia “Jinks” Holton, like McAuliffe, made nutrition her focus when her husband, A. Linwood Holton (R), was governor from 1970 to 1974.

“I remember she hosted a family food dollar conference, helping families learn how to spread their food dollars further,” said her daughter, Anne Holton, who also became a first lady when her husband, now-Sen. Tim Kaine, was governor from 2006 to 2010.

“She says she never made ‘speeches,’ ” Anne Holton said in an email. “She would host teas and ‘say a few words.’ I am sure also she never entered the halls of the General Assembly building — but in those days there weren’t many women there in any capacity!”

In the decades since, the role became more modernized. Roxane Gilmore was the first to work outside the mansion, keeping her job as a classics professor at Randolph-Macon College when her husband, Jim Gilmore (R), served from 1998 to 2002.

Lisa Collis, wife of now-Sen. Mark R. Warner (D), was the first to keep her maiden name. Anne Holton was the first to serve in another governor’s cabinet, becoming education secretary in the McAuliffe administration. She left that post in 2016 when Kaine ran for vice president on Hillary Clinton’s ticket.

Holton says McAuliffe has been a bolder first lady.

“ “She rolled up her sleeves and got to work,” Holton said, referring to McAuliffe. “... I went over to the General Assembly building to meet with legislators a couple of times. Dorothy was absolutely there, as a passionate advocate for kids, on a very regular basis. And it was not pomp and circumstance.”

McAuliffe’s time as first lady has been almost universally well received. The lone public flap involved one of her predecessors, Gilmore, who had overseen a major renovation of the mansion. Gilmore went public with concerns that the wheelchair ramp would detract from the historic structure.

Behind the scenes, it was not always an easy go for McAuliffe. She was working with a Republican-led legislature that was often at odds — if not at war — with her husband.

“Our side would be annoyed at the governor — that’s just normal stuff — and she’d be victimized by that — ‘Oh, we don’t want to do any favors for the McAuliffes’ kind of deal,” said Hanger, who was generally supportive of her initiatives.

McAuliffe had to overcome obstacles facing her signature issue, even if improving childhood nutrition might sound like a bipartisan no-brainer. There was initial resistance to her plan to provide breakfast “after the bell.” The idea was to allow schoolchildren, who often arrive at school too late to sit down to a free breakfast in the cafeteria, to pick up a to-go meal to eat in the classroom. Legislators, teachers and custodians worried the practice would be disruptive and messy, said Steven Staples, state superintendent of public instruction.

She traveled the state to get buy-in with principals, cafeteria workers and teachers, said Staples, who calls the program a huge success.

McAuliffe argued that with some extra state spending, the state could tap federal funds for school nutrition. That was not an easy sell in Richmond, where Republicans have refused Gov. McAuliffe’s annual request to expand Medicaid under the Affordable Care Act because they fear that federal funds would dry up and leave the state on the hook for the full \$2 billion-a-year cost.

Del. R. Steven Landes (R-Augusta), chairman of the House education committee, worried local school districts could not afford expanded meals programs if the federal dollars disappeared. McAuliffe worked with him to ensure school districts “can disengage in an easy way” if need be, he said.

McAuliffe also played a behind-the-scenes role in January 2016 to salvage a gun deal between the governor and Republicans.

Under the compromise, the state could take guns away from domestic abusers. And state police would be posted at all gun shows to provide background checks for private sellers who choose to vet buyers. But it also called for Virginia to recognize most out-of-state concealed-handgun permits — making the deal highly controversial with some gun-control advocates.

At the last minute, the bill nearly fell apart after Del. C. Todd Gilbert (R-Shenandoah) boasted on a radio show that the pro-gun advocates had gotten the better end of the deal.

Gov. McAuliffe was furious because negotiators had agreed to portray the deal as a win for all sides. He told Republicans the deal was off, then hopped into a helicopter to travel on state business, putting him out of touch by cellphone for a while.

Back in Richmond, the governor's top aides huddled to see if it could be salvaged. Perhaps they could leverage Gilbert's misstep to demand more concession from the gun-rights side. The first lady, though not part of the initial negotiations, joined in because the deal had been so important to the governor, who had run for office touting his "F" rating from the National Rifle Association.

"They'd broken their end of the deal, and we sensed an opportunity," Dorothy McAuliffe said.

Amid the hubbub in the office, she quietly read through the bill. She stopped when she got to the part that would make it a misdemeanor for anyone subject to a two-year protective order to possess a gun.

"She went, 'Why is this a misdemeanor?' " Moran said. "And we said, 'Let's make it a felony. Maybe we can do that.' "

Republicans agreed to that after the governor made a concession of his own: Requiring the attorney general to move quickly to enter into concealed carry reciprocity agreements with other states.

"She played a significant role in getting that across the finish line," Moran said.

As she exits, McAuliffe only plans so far are to serve as a fellow at Georgetown's Institute of Politics and Public service for the spring semester. She is expected to hit the campaign trail if her husband decides to run for president in 2020, but she declined to discuss that possibility.

The incoming first lady, Pam Northam, plans to follow McAuliffe's lead by setting up her office in the Patrick Henry Building, although she is not sure whether she will lobby for legislation. A former elementary and high school science teacher, Northam plans to focus on quality child care and early-childhood education, while also carrying on the traditional aspects of the role.

The incoming first lady met recently with the outgoing first lady, ostensibly to discuss some of the practical do's and don'ts of living in a historic mansion.

"We ended up talking about policy and how to move the needle," Northam said. "We realized two hours later we hadn't talked about the typical first lady things."

The State
December 15, 2017

The Quinndom at work: SC prosecutors say father-son duo took millions to push bills

<http://www.thestate.com/news/politics-government/politics-columns-blogs/the-buzz/article190109899.html>

When the University of South Carolina wanted less oversight of its spending, university officials turned to Richard Quinn & Associates, a powerful political consulting firm whose founder and chief, Richard Quinn, has since agreed to cooperate with state prosecutors in a State House corruption probe.

The state's largest university paid RQ&A more than \$500,000 between November 2010 and May 2015. The [university has said the money was paid for public relations and consulting work](#). However, prosecutors say Quinn's son – the now disgraced S.C. House Rep. Rick Quinn, R-Lexington – pushed legislation USC wanted.

The payment is just one of nearly \$5 million that state prosecutors, during a Wednesday court hearing, said RQ&A took from powerful special interests, USC being one of them. In return, RQ&A pushed bills for those clients without registering as a lobbyist – an action that is illegal and resulted in a \$3,000 fine against Richard Quinn's firm.

In exchange for the corruption charges against him being dropped, the 73-year-old Quinn [agreed to cooperate with law enforcement](#) and will testify in January before a state grand jury on matters related to the corruption investigation headed by special prosecutor David Pascoe. If Quinn lies to the grand jury, he could be charged with perjury or obstruction of justice.

The younger Quinn pleaded guilty to one count of misconduct in office – a misdemeanor that carries up to a \$1,000 fine and one year in prison. Pascoe is seeking a full-year prison sentence for Rick Quinn, whose attorneys have asked for probation instead. State Circuit Judge Carmen Mullen plans to issue a sentence at a later date.

Quinn, 52, said he was guilty only of failing to disclose USC as a business client on ethics forms. Quinn's attorneys said he never took any money for personal benefit and had zero involvement in his father's consulting firm.

Pascoe told Mullen on Wednesday that was hardly the case. In a slide presentation, he highlighted emails between Quinn and his father, company executives and university officials, /which Pascoe said showed [Quinn was voting and lobbying on behalf of special interests](#) that were paying his direct-mail business and father's firm for services.

Those same special interests routinely employ teams of registered lobbyists to push their agenda, raising questions about why they would hire the Quinn firm.

"It all turns on whether or not these executives from the big corporations knew the scheme the Quinns were running," said John Crangle, a government watchdog now with the S.C. Progressive Network. "If they did, they have problems."

The 'political family' and its influence

In Wednesday's hearing, Pascoe laid out a case for why the elder Quinn and his legislator son were deeply involved in pushing the interests of RQ&A's clients in the Legislature.

In addition to working for some of the state's most powerful public officials – including the state's governor and attorney general – RQ&A also has on its client list some of the state's most powerful companies and state agencies.

In an email sent the night of Sept. 8, 2012, Richard Quinn wrote to two now-former lawmakers that USC President Harris Pastides wanted to meet for lunch.

The email was sent to Rick Quinn and former state Reps. Kenny Bingham, R-Lexington, and Jim Merrill, R-Berkeley.

Merrill, who paid RQ&A \$4,500 for campaign work in 2013, [pleaded guilty to corruption charges](#) in Pascoe's case this year. Bingham, who retired in 2016, [paid RQ&A \\$41,000 for political services from 2009 to 2014](#).

Rick Quinn, son of Quinn firm owner is indicted

"I met with Harris Pastides last week and he expressed an interest in having an informal lunch with our political 'family' just to talk about what ever comes up on the general subject of higher ed or anything else – no agenda," the senior Quinn wrote in the email.

There would be plenty to discuss, Pascoe said in court Wednesday, referring to \$514,763.46 in payments from USC to RQ&A for services between 2010 and 2015. Pascoe argued those payments helped secure favorable legislation for USC.

For example, Pascoe said, on May 29, 2014, USC's then registered lobbyist, Trey Walker – now Gov. Henry McMaster's chief of staff – told USC's chief operating officer and senior vice president for administration, Ed Walton, by email that the S.C. Senate had no interest in hammering out details related to the [Clemson Enterprise Act](#) with House leadership. Pastides was copied on the email.

The Senate already had passed the Clemson Enterprise Act in 2013, giving the Upstate university's Board of Trustees more control over the school's economic development programs. The University of South Carolina wanted its name attached to the bill, too, and was pushing for the House to amend the bill.

Pascoe pointed to an email in which Walker says Rick Quinn went to work on his legislative colleagues.

"During the Clemson bill consideration in (the) House, I got Rick Quinn to successfully nail (House Ways and Means Chairman) Brian White down on the record – from the podium – that the House conferees would not compromise and accept the Senate version of the Clemson bill," Walker emailed to Walton on May 30, 2014.

Walton responded, "In the end, what we want is the gist of the Senate version of the CU Enterprise Act to include USC."

[Walker](#), who worked for RQ&A in the early 2000s, and [Pastides](#) both have testified before the state grand jury. Walker told The State newspaper after he testified that he was told he is not a target.

On Friday, Walker said, “On a daily basis, my job was to provide every member of the General Assembly with authoritative policy information and request their support or assistance on issues related to the university and higher education.”

USC spokesman Wes Hickman said Friday that the university paid RQ&A for consulting work that helped create strategies, themes and messages to support the school’s priorities.

“Richard Quinn and Associates did not lobby on behalf of the university nor did we hire RQA to buy access or influence the legislative activities of Rep. Rick Quinn or any other legislator,” Hickman said. “We do not believe the university is a target in the Pascoe investigation.”

A ‘favor to me’

Emails also show the Quinns tried to help Infilaw, a private, for-profit law school that wanted to buy the Charleston School of Law, Pascoe said. Infilaw paid RQ&A \$185,000 from May 2014 to March 2015.

Pascoe said several actions set into motion by the Quinns helped the law school by persuading the Commission on Higher Education to delay a vote on Infilaw’s proposal to purchase the law school:

- An attorney general’s opinion favorable to Infilaw came at Richard Quinn’s request, Pascoe said.

A witness interviewed by the State Law Enforcement Division told investigators they received a text message from Richard Quinn on May 31, 2014, that said, “Yes (AG’s Office Employee) issued it yesterday morning as a favor to me,” Pascoe said. That text message was not shown in court Wednesday.

- On behalf of Infilaw, RQ&A also drafted a letter for now-indicted state Sen. John Courson – chairman of the Senate Education Committee – asking the Commission on Higher Education to delay its vote. Courson then sent the letter to the agency, which oversees S.C. institutions on higher education, Pascoe said. The commission agreed to delay the vote.

Courson, a longtime Quinn client, is accused of [funneling campaign money to himself](#) using one of the Quinn firms.

- Rick Quinn also sought to help Infilaw “stack the CHE board with favorable members,” Pascoe said, pointing to an email from a Columbia attorney representing Infilaw to Rick Quinn and Merrill.

In the email, the attorney, Kevin Hall, compiled a list of commission board members and asked Quinn and Merrill to seek information on some of them. Beside one of the names, Hall wrote, “identify possible ‘grassroots’ replacements for him that can become Gary Simrill’s idea and his referred appointment,” according to the email presented by Pascoe.

By phone Friday, S.C. House Majority Leader Simrill, R-York, said neither Quinn nor Merrill ever approached him to discuss a replacement for the CHE board member. Simrill also said he has never been a client of the Quinns.

“Wishful thinking on their part to stack the deck,” Simrill said.

'Lose with dignity'

Infilaw was not the only RQ&A client Rick Quinn helped out, Pascoe argued.

In 2015, AT&T was pushing the General Assembly to pass the State Telecom Equity in Funding Act, a bill favorable to AT&T, which paid RQ&A \$496,940.42 for unspecified services between April 2007 and November 2015, Pascoe said.

Pascoe said documents show that Rick Quinn helped figure out how to remove an opponent to the bill, pointing to an email to AT&T South Carolina's president Pamela Lackey and the company's director of legislative affairs, Jane Sosebee. The email, written by someone whose name had been redacted, said, "... Rick just told me (Jim) merrill (sic) has been working the bill – he is a problem. Rick and I are talking at 1 on how to deal with him."

Pascoe said Merrill, the former legislator, described what happened next to SLED agents and the FBI. According to Pascoe's presentation:

- Richard Quinn called Merrill for a meeting, and Rick Quinn asked Merrill to return the calls. Rick Quinn was "in and out" of the meeting.
- Richard Quinn told Merrill that Merrill was opposing the legislation favorable to his clients.
- Richard Quinn "said it had been difficult explaining why someone on the 'team' had blocked the bill."
- Rick Quinn pointed out that it would look funny if Merrill flipped his position, and Richard Quinn asked Merrill not to participate instead.

Pascoe said another email chain provides evidence that Rick Quinn was instructing Merrill on what action to take on the bill.

"2 hours of debate. Mr Merrill was a formidable opponent," Lackey wrote in an email to another telecommunications executive, referring – according to Pascoe – to debate on the bill, which eventually passed and became law.

After the executive responded "Ha. R u surprised?" Lackey replied, "Quinn's had a talk with him prior. Told him to lose with dignity, but don't do any harm."

Lackey has testified before the state grand jury.

AT&T's Carolinas spokesman Clifton Metcalf said AT&T has never paid or authorized either Richard or Rick Quinn, or any business associated with them, to lobby on behalf of the company. The company follows all ethics and lobbying laws, including reporting who is registered to lobby for the company, he said.

PAY FOR PLAY?

Political consulting firm Richard Quinn & Associates was paid more than \$4 million by companies and the state's largest university for services. In turn, prosecutors say Richard Quinn and his son, former S.C.

Rep. Rick Quinn, used the payments to influence legislation on behalf of RQ&A's clients from Nov. 2010 through August 2016, unless otherwise noted. Clients and payments include:

- **SCANA:** \$414,000
- **S.C. Ports Authority:** \$694,279
- **BlueCross BlueShield of South Carolina:** \$167,700
- **Palmetto Health:** \$950,400
- **Infilaw:** \$185,000 (May 2014 to March 2015)
- **S.C. Trial Lawyers Association:** \$348,348
- **AT&T:** \$496,940 (April 2007 to Nov 2015)
- **University of South Carolina:** \$514,763 (Nov. 2010 to May 2015)
- **South Carolinians for Responsible Government:** \$248,289 (Sept. 2006 to June 2013)

**ABC News
December 15, 2017**

Kentucky reeling from sexual assault, harassment accusations

<http://abcnews.go.com/US/wireStory/kentucky-reeling-sexual-assault-harassment-accusations-51823387>

As [sexual assault](#) and harassment allegations sweep through statehouses around the country, no place has been impacted quite like [Kentucky](#): A state forced to confront its past salacious behavior in the midst of an historic transition to Republican rule.

Kentucky's GOP House Speaker resigned his leadership position after acknowledging he secretly settled a sexual harassment claim with a woman in his office. Three other Republican lawmakers lost their committee chairmanships for being part of the same settlement. And a freshman Republican lawmaker who was part of that new political order killed himself Wednesday after facing allegations that he sexually assaulted a teenage girl in his basement.

It's not just Republicans. In July, a recording surfaced detailing how Julian Carroll, a Democratic state senator and former governor, had propositioned a young man for sex and, according to the man, groped him. Carroll denied the allegations and police didn't file any charges.

Three years ago, taxpayers paid \$400,000 to settle a sexual harassment lawsuit filed against three Democratic lawmakers.

Despite the turmoil, just one lawmaker has resigned: Democrat John Arnold stepped down in 2013 when he was accused of inappropriately touching female employees. His lawyer later said he was in the early stages of dementia. Everyone else has stayed, preventing the dark cloud of [scandal](#) from dissipating and exposing a rift between Republican Gov. Matt Bevin and GOP leaders.

Some, including Bevin, have called for resignations while others have urged caution until investigations can be completed.

"We have some of the biggest issues ever facing our state from a financial standpoint and this takes our focus away from the job we're needing to do," said Republican state Rep. Jim DuPlessis.

DuPlessis used to sit by Republican lawmaker Dan Johnson, who killed himself following accusations he sexually assaulted a 17-year-old girl.

Other statehouses have been rocked by scandal. In California, two Democratic lawmakers have resigned and another is facing pressure to amid allegations of repeated misconduct. Their names came to light after nearly 150 women who work in or around the Legislature wrote an open letter in mid-October outlining pervasive sexual harassment in the Capitol and a culture that protects it.

In Ohio, Republican state Rep. Wesley Goodman resigned after acknowledging "inappropriate behavior" with a person in his office.

Republican state Rep. Phil Moffett of Kentucky said the allegations will spur change in the legislature.

"There isn't a single person in the private sector that does not know that they cannot have an inappropriate relationship with a subordinate," he said. "They know that will be their last day on the job when they do that."

House Republicans hired a law firm to investigate the allegations against the House Speaker, but the report was inconclusive. Lawmakers met with investigators but did not provide a copy of the settlement.

Acting House Speaker David Osborne asked the Legislative Ethics Committee to use its subpoena power to get a copy of the settlement and find out if any part of it was paid for with money from political donors or lobbyists.

And Osborne has put together a committee of lawmakers to come up with a formal system for reporting and investigating workplace complaints.

Jeff Hoover, the former House Speaker, denied sexual harassment but said he did send inappropriate but consensual text messages. It's unclear what the other three Republican lawmakers involved in the settlement are accused of doing.

The scandals in Kentucky are compounded by a budget crisis, with economists projecting a \$156 million dollar deficit by June of next year and a public pension system that is at least \$44 billion short of the money needed to pay retirement benefits over the next 30 years.

"What we all thought was going to be a really difficult legislative session has just become even more challenging," said Les Fugate, a veteran lobbyist. "We didn't think that was possible."

WTOC
December 15, 2017

Local campaign manager fined for failure to register as a lobbyist

<http://www.wtoc.com/story/37079194/local-campaign-manager-fined-for-failure-to-register-as-a-lobbyist>

One of the Coastal Empire's most recognized lobbyists and local campaign managers is about to pay one of the state's highest ever fines for charges from the State Government Transparency and Campaign Finance Commission.

David Simons admitted to state regulators that despite representing political candidates and private companies as a lobbyist, he failed to register as a lobbyist for several years.

He also admitted to failing to file mandatory lobbyist disclosure reports.

Simons will pay the state a combined fine of more than \$15,000 for the violations.

In the meantime, Friday afternoon, Savannah-Chatham School Board member Larry Lower announced his candidacy for School Board President with David Simons as his campaign consultant and manager.

Lower told WTOC, that he has been following the case against Simons. Though Lower admits he was unaware of Simons' admission of guilt, he has been told by Simons that he can still legally represent Lower's campaign.

You might recall back in 2014, Simons ran for School Board President, also while he was still a lobbyist.

Fasken

PEI Reintroduces Lobbying Law: Strong Enforcement, Fewer Gaps than Previous Bill

<https://www.fasken.com/en/knowledgehub/2017/12/lobbyinglaw-20171214>

Prince Edward Island Premier Wade MacLauchlan has re-introduced legislation to establish a lobbyist registry in the province.[1] The bill restricts revolving door lobbying, includes strong enforcement provisions, and closes several gaps that had appeared in proposed legislation tabled during the previous legislative session.[2] It contains improvements that appear to respond to expert criticism of the previous bill.[3]

Bill No. 24, the *Lobbyists Registration Act*, will be of interest to any business that has dealings with PEI legislators or government officials, as well as to consultants and their clients. The proposed law received first reading December 8.

Prince Edward Island is the only Canadian province without a lobbying transparency law,[4] an omission that was often the subject of criticism.[5]

Scope of the Bill

The proposed law defines lobbying in a manner consistent with the definition in other provincial statutes. Lobbying would be communication with a public-office holder in an attempt to influence any of: the development of legislation, regulations, and government policies and programs; government grants, contributions and financial benefits; and privatization, out-sourcing and contracting out. In the case of consultants, lobbying would also include the arrangement of meetings with public-office holders and attempting to influence the awarding of a government contract.

Grass-roots communication would constitute an exception to the principle that lobbying involves direct communication to a public office holder. Grass-roots communication involves communication to members of the public in an attempt to put pressure on public-office holders. It is best thought of as a form of lobbying in which the lobbyist communicates **indirectly** with a public-office holder, by enlisting the public's help. Bill No. 24 would require reporting of grass-roots communication by lobbyists. (This is typical of other lobbying statutes in Canada. Everywhere except British Columbia, Manitoba, New Brunswick and Quebec, lobbyists must report on their grass-roots communication.)

As is common across Canada, public-office holders would include everyone who holds an elected, employed or appointed position in the provincial government, and anyone appointed to an office by the Cabinet or a Minister. Members, officers and employees of educational authorities would also be public-office holders.

Fewer Gaps

The Premier's earlier bill proposed to carve out several activities (lobbying that would not be subject to the *Act*) and numerous categories of people (lobbyists who would not need to be registered). Bill 24, the current proposal, closes most of these gaps.

For example, the predecessor bill would have exempted lawyer-lobbyists from the requirement to disclose their lobbying on draft and proposed legislation.[6] Bill No. 24 does not propose to exempt lawyer-lobbyists.[7]

Bill No. 24 also drops a proposal in the earlier bill that would have excluded from the law any lobbying that fell into a class of submissions or communications exempted by the provincial Cabinet.[8]

The current bill would, however, maintain three gaps that appeared in the previous legislation. It would exclude from the registration requirements of the law:

1. Lobbyists who fall into a class of persons exempted by the provincial Cabinet.
2. Lobbying by businesses and organizations where the amount is less than "significant" as determined by the provincial Cabinet.
3. All lobbying by officers, directors or employees of the Federation of Prince Edward Island Municipalities.

(The provincial Cabinet would define the scope of these exemptions by making regulations under the *Act*.)

The first of these exemptions is not without precedent. Alberta, Manitoba, New Brunswick, Newfoundland and Labrador and Saskatchewan allow Cabinet to exempt entire classes of lobbyists from the statutory requirements. In Québec, certain categories of persons, bodies or agencies are excluded from the definition of "lobbyist" by regulation.

The second exemption, which excludes in-house lobbying from the registration requirements unless its volume is "significant," follows the pattern of federal, Manitoba, New Brunswick, Nova Scotia and Québec law. In federal jurisdiction and in New Brunswick and Nova Scotia, "significant" is defined as 20 per cent of an employee's duties or 20 per cent of the duties of an employee-equivalent. This is also the threshold in Newfoundland and Labrador, where the 20-per-cent figure is specified in the *Act*.[9]

In all provincial jurisdictions (and federal jurisdiction) in-house lobbying is not registered unless it exceeds a minimum volume. At the same time, these minimum volume thresholds are also subject to expert criticism. The lobbying commissioners and registrars of the four largest jurisdictions in Canada (federal, Ontario, Quebec, and BC), based on their deep experience, have individually recommended eliminating the registration thresholds and moving to a system where all in-house lobbying is registered. The Government of Prince Edward Island is either unaware of this expert advice, or has determined that it does not apply to PEI.

Everywhere in Canada, minimum thresholds do not apply to consultant lobbying; in other words, consultant lobbying must always be registered, regardless of the amount. Bill No. 24 would treat consultant lobbying in this manner.

The third exemption is similar to carve-outs from the Newfoundland and Labrador and Nova Scotia laws, but does not appear in the laws of most other provinces. Provincial lobbyist registration laws typically do not exempt advocacy organizations by name.

Registration

Consistent with the approach of most Canadian jurisdictions, the PEI law would impose the registration filing requirement on each individual consultant lobbyist, in the case of consultant lobbying.[10]

In the case of in-house lobbying, Bill No. 24 (unlike its predecessor) would place the responsibility for registration of in-house lobbying, not on the CEO, but on the individual employees of a business corporation or partnership. This model is employed in the two other Maritime provinces, but nowhere else in Canada.[11] In the case of lobbying by a not-for-profit organization, the CEO (senior officer) of the organization would file one return covering every employee and officer who lobbies.

A consultant lobbyist would be required to file the first return within 10 days of starting to lobby, and thereafter to renew semi-annually. Filing of the first in-house lobbyist return would be required within two months after an employee becomes an in-house lobbyist,[12] and thereafter semi-annually. These deadlines are consistent with those in other jurisdictions.

While the previous bill did not list the required content of lobbyist registration returns, Bill No. 24 details what must be reported. The required content is consistent with what is required to be reported on lobbyist registrations in other Canadian jurisdictions.

The current bill corrects an oversight in the predecessor bill by providing that online public access to the lobbyist registry will be mandatory, not optional.

Revolving-Door Restriction

The law proposes to prohibit a small number of public officials from lobbying after leaving office. Former occupants of the following positions would be prohibited from both consultant lobbying and in-house lobbying for a period of six months after ceasing to hold public office:

- Ministers
- MLAs
- Officers of the Legislative Assembly

- Deputy ministers (including anyone holding an equivalent position in the Premier's office)
- Secretary to Treasury Board
- Clerk or Clerk Assistant of the Executive Council
- Individuals holding any other position that is specified by the regulations

In the case of former Ministers, the above restriction would operate alongside the existing restriction under the *Conflict of Interest Act*.^[13] Under that statute, for six months after ceasing to hold office, a former Cabinet minister may not make representations to the Government, whether on his or her own behalf or that of another person, concerning a contract or benefit. A former Minister is also prohibited from contracting or accepting a benefit awarded by Cabinet or a government employee, or accepting a contract or benefit from any person who received a contract or benefit from a department of which he or she was the Minister.

One significant omission from Bill No. 24 is a code of conduct for lobbyists. Codes of conduct in federal jurisdiction, Quebec and Newfoundland and Labrador itemize specific ethical rules that lobbyists must follow. In Ontario a code of conduct is pending.

Enforcement

The proposed law would be enforced by prosecution. Bill No. 24 would create 24 separate offences, namely:

- Lobbying when one is not registered on the registry of lobbyists.^[14]
- Failure to file a consultant lobbyist return within ten days of commencing lobbying and semi-annually thereafter.
- In the case of consultant lobbying already taking place when the new law comes into effect, failure to file a return within ten days.
- Failure to file an in-house lobbying return within two months of an employee of a business becoming an in-house lobbyist and semi-annually thereafter.
- In the case of an in-house lobbyist already employed when the new law comes into effect, failure to file a return within two months.
- Failure of the CEO (senior officer) of an organization to file an in-house lobbying return within two months of employing one or more in-house lobbyists, and semi-annually thereafter.
- Failure to include required content in a consultant lobbying return.
- Failure of an in-house lobbyist for a business to include required content in an in-house lobbying return.
- Failure of the CEO of an organization to include required content in an in-house lobbying return.
- Failure to correct or to update information in a return within 30 days of a change.^[15]

- Failure to terminate a registration within 30 days after a consultant lobbying undertaking is completed or terminated.
- Failure to inform the Registrar within 30 days after an in-house lobbyist ceases to lobby or to be employed.
- Failure to respond within 30 days to a clarification request from the Registrar.[16]
- Receiving or paying a contingency fee (success fee) for consultant lobbying.[17]
- Violating the six-month revolving-door prohibition, *i.e.*, ban on lobbying by selected former public-office holders.
- Knowingly making a false or misleading statement in a return or other document submitted to the Registrar.
- While in the course of lobbying, knowingly placing a public-office holder in a position of real or potential conflict of interest.[18]

On conviction, the maximum fine would be \$25,000 for each offence.

Next Steps

Businesses and others who deal with Prince Edward Island legislative and government officials should continue to monitor developments carefully, as Bill No. 24 could significantly affect their interests.

Contact the Author

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[1] *Lobbyists Registration Act*, Bill No. 24, 3rd Session, 65th General Assembly.

[2] On December 14, 2016, the Premier introduced an earlier version of the proposed *Lobbyists Registration Act* (Bill No. 57, 2nd Session, 65th General Assembly) but it did not progress beyond first reading during that legislative session. The bill died when the session ended. The Government announced its intention to reintroduce the bill during the current legislative session, which commenced November 14, 2017.

[3] See, for example, Guy W. Giorno, "Taxpayers deserve to know who's influencing government" (July 22, 2011), *The Guardian*.

[4] Lobbying laws are in effect in all of the remaining nine provinces.

[5] See, for example, Kerry Campbell, "P.E.I. lobby registry has room for improvement, says advocate: Draft legislation contains 'gaps' which would allow some lobbying to remain undisclosed" (December 19, 2016), CBC News.

[6] The exemption proposed by the earlier bill would have applied to, "any communication by a barrister in respect of the drafting of any legislative proposal for introduction in the Legislative Assembly or any consequential consultation." Note that this exemption would not have been limited to a bill drafted by the lawyer or client. The wording would also have exempted lawyer-lobbying on Government or Opposition legislative proposals as well as any resulting consultation. Effectively this would have permitted a lawyer to lobby, without registering, on any proposed legislation and on any bill before the Assembly.

[7] The exemption of lawyer-lobbyists is virtually unprecedented — found in only one other jurisdiction in Canada: *Lobbyists' Registration Act* (Nova Scotia), subs. 3(3). Elsewhere, many lobbying regulators have stressed that lawyers are not above the law. For example: Ontario, Office of the Integrity Commissioner, Lobbyists Registration Office, Interpretation Bulletin #7 (updated July 1, 2016), "Lawyers who engage in lobbying activity on behalf of a client."

[8] Bill No. 57, 2nd Session, clause 2(2)(g).

[9] In Manitoba, "significant" means 100 hours of lobbying annually across the employer organization. In Québec, "significant" was formerly interpreted to mean 12 days of lobbying annually across the entire business or organization, or lobbying by an executive or member of the board of directors, or lobbying that has a significant impact on the business or organization, but that interpretation was struck down by the Québec Court of Appeal.

[10] Only Alberta does not require separate individual filings by consultant lobbyists.

[11] Only New Brunswick and Nova Scotia place the registration obligation on the individual in-house lobbyists for a business.

[12] That is, within two months of first employing one or more officers or employees whose collective volume of lobbying is "significant" as defined in the regulation.

[13] R.S.P.E.I., c. C-17.1, s. 24.

[14] Two separate offence provisions, one for consultant lobbyists and one for in-house lobbyists.

[15] Three separate offence provisions, one for consultant lobbyists, one for in-house lobbyists for a business and one for CEOs (senior officers) who file in-house lobbying registrations on behalf of organizations.

[16] *Ibid.*

[17] Two separate offence provisions, one for receiving a contingent payment or one for making it.

[18] Two separate offence provisions, one for consultant lobbyists and one for in-house lobbyists.