MULTISTATE
Lobbying | Tracking | Compliance | Consulting

Weekly Lobbying Articles
February 15, 2018

KY3
February 12, 2018

Ex-northern Arkansas Lawmaker pleads guilty in $4 million embezzlement case

http://www.ky3.com/content/news/Ex-northern-Arkansa-lawmaker-473820223.html

A former Arkansas state representative pleaded guilty in federal court to his role in a conspiracy to embezzle more than $4 million from a Springfield, Mo.-based health care charity.

Eddie Wayne Cooper, 51, of Melbourne, Ark., waived his right to a grand jury and pleaded guilty before U.S. Magistrate Judge David P. Rush to a federal information that charges him with one count of conspiracy to embezzle from the nonprofit organization.

By pleading guilty today, Cooper admitted he conspired with several executives of Preferred Family Healthcare, Inc., a non-profit charity headquartered in Springfield, to use the charity's funds for unlawful political contributions, for excessive, unreported lobbying and to financially benefit themselves. Cooper received a total of at least $387,501 from a lobbying firm and at least $63,000 in kickbacks as a result of his participation in the conspiracy. Under the terms of today's plea agreement, Cooper must forfeit his gain from the conspiracy to the government.

Cooper was an Arkansas State Representative from 2006 through January 2011, and a lobbyist registered with the Arkansas Secretary of State beginning Jan. 20, 2011. On April 20, 2009, Cooper was hired to the full-time position of regional director for Preferred Family Healthcare. Cooper's employment with the charity ended on April 26, 2017. Cooper was a member of the charity's board of directors from October 2009 through April 2015; he also worked as a lobbyist.

Court documents cite, but do not identify by name, five additional co-conspirators who are not charged in the fraud scheme. Person #1, Person #2 and Person #3 – all residents of Springfield – were executives at the charity. They include the founder and chief financial officer of the charity, the charity's chief operating officer and the charity's chief executive officer. Person #4, a resident of Rogers, Ark., served as an executive for company operations in the state of Arkansas. Person #4 also operated two lobbying firms.

According to today's plea agreement, conspirators engaged in multiple schemes to unlawfully use the charity's funds to make political contributions, for excessive and unreported lobbying and political advocacy, and to unjustly enrich themselves. For example, conspirators caused personal contributions to elected officials and their political campaigns to be reimbursed by the charity. Such indirect contributions are prohibited by law just as if the payments had been made by the charity directly.

In order to provide a veneer of legitimacy for the kickbacks paid to themselves and others, and to disguise the nature and source of the payments, conspirators caused the payments to be described in the records as business expenses, such as “consulting” and “training” services, and executed sham “consulting agreements.”

Part of the scheme involved $3 million in payments and kickbacks with a company identified in court documents as Lobbying Firm A, an Arkansas firm owned and operated by Person #4 that also employed Cooper as a lobbyist.

Preferred Family Healthcare paid Lobbying Firm A to provide lobbying and advocacy services. Cooper and others solicited the assistance of elected and appointed officials regarding legislative issues that impacted the charity, in particular matters involving the charity, and in steering grants and other sources of funding to the charity from 2010 through 2017. These funding sources included proceeds from the Arkansas General Improvement Fund.

Preferred Family Healthcare paid Lobbying Firm A more than $3 million from 2010 to 2017. These checks were falsely classified as a consulting expense in the books and records of the charity, when in fact the checks were payments for lobbying services, including direct contact with elected and appointed public officials, and for kickbacks paid to Person #1. From 2010 through 2015, the plea agreement says, Person #4 paid $640,500 in kickbacks to Person #1 by way of checks, and on numerous additional occasions, paid kickbacks in cash.

Part of the scheme also involved nearly $1 million in payments and kickbacks with a Philadelphia, Penn.-based lobbying firm. Donald Andrew Jones, also known as “D.A.” Jones, 62, of Willingboro, N.J., pleaded guilty on Dec. 18, 2017, to his role in the conspiracy.

Jones’s firm, D.A. Jones & Associates, based in Philadelphia, provides political and advocacy services, including consulting, analysis, and public relations. Jones admitted that he was paid approximately $973,807 by Preferred Family Healthcare for illegal lobbying and political activity on behalf of the charity. Two co-conspirators received a total of $264,000 in kickbacks from Jones.

According to court documents, Jones occasionally suggested that charity executives make political contributions to legislators they wanted to influence and/or thank for assistance. From time to time, Jones delivered their contribution checks directly to the legislators in Washington D.C., to increase the impact of the donations.

Between Jan. 12, 2012, and Jan. 17, 2017, Jones paid Person #4 a total of $219,000 in kickbacks. Additionally, at the direction of Person #4, Jones paid Cooper kickbacks of $25,000 on Jan. 8, 2013, and $20,000 on Dec. 26, 2013. On Jan. 18, 2012, Person #4 caused Lobbying Firm A to issue an $18,000 check Cooper, constituting Cooper’s share of Jones’s Jan. 2, 2012, kickback payment.

Under federal statutes, Cooper is subject to a sentence of up to five years in federal prison without parole. The maximum statutory sentence is prescribed by Congress and is provided here for informational purposes, as the sentencing of the defendants will be determined by the court based on the advisory sentencing guidelines and other statutory factors. A sentencing hearing will be scheduled after the completion of a presentence investigation by the United States Probation Office.

Preferred Family Healthcare & Dayspring Behavioral Health Services

Preferred Family Healthcare and its subsidiaries provide a variety of services to individuals, including mental and behavioral health treatment and counseling, substance abuse treatment and counseling, employment assistance, aid to individuals with developmental disabilities, and medical services. The charity, which reported more than $180 million in total revenue in 2016, received Medicaid reimbursements from the states of Missouri, Arkansas, Kansas and Oklahoma. The federal portion of those payments totaled more than $255 million from 2011 to 2016. The charity also received more than $53 million from the federal government (the Departments of Health and Human Services, Labor, Agriculture, Housing and Urban Development, Veterans Affairs, and Justice) under programs involving grants, contracts, loans, guarantees, insurance and other forms of federal assistance from July 1, 2010, to June 30, 2016.

Originally, and for most of its existence, Preferred Family Healthcare was known as Alternative Opportunities, Inc., which was incorporated in 1991. Alternative Opportunities merged with Preferred Family Healthcare of Kirksville, Mo., on May 1, 2015.

Dayspring Behavioral Health Services was an Arkansas company providing behavioral health services, which was acquired by Alternative Opportunities in 2007 and thereafter continued as a business alias of the charity. Doing business as Dayspring, the charity operated dozens of clinics throughout the state of Arkansas, offering a variety of behavioral health services to individuals, families, and groups.

This case is being prosecuted by Assistant U.S. Attorney Steven M. Mohlhenrich. It was investigated by IRS-Criminal Investigation, the FBI and the Offices of the Inspectors General from the Departments of Labor, Health and Human Services, Housing and Urban Development, Veterans Affairs, and the FDIC. This is a combined investigation with the Western District of Arkansas, the Eastern District of Arkansas, the Eastern District of Pennsylvania and the Public Integrity Section of the Department of Justice.

The Washington Free Beacon
February 13, 2018

Conor Lamb Bashes Lobbyists But Allows Them to Fundraise for Him

http://freebeacon.com/politics/conor-lamb-bashes-special-interests-allows-fundraise/

Conor Lamb, the Democratic nominee for Pennsylvania's 18th Congressional District, has made lambasting the corruptive influence lobbyists have on lawmakers a central tenet of his campaign, but it hasn't stopped him from attending lobbyist-hosted fundraisers.

"We don’t need another politician who will take orders straight from lobbyists," Lamb's campaign wrote in a January 26 campaign email. "We need a public servant like Conor Lamb who will represent the people of Southwestern Pennsylvania."

In two separate campaign fundraisers on Jan. 30 and Feb. 9, however, the announced host committees were comprised of corporate money-connected members. Many of the members either directly lobby for the corporations and special interests that Lamb has accused of corrupting the system, or they work on the periphery of the government affairs profession where "consulting" and "lobbying" are only differentiated by the law requiring the latter be reported.

The Jan. 30 event was a $1,000 per plate fundraiser held at the Rivers Club, a private members-only luxury sports club in Pittsburgh. The host committee for the event included numerous high profile Pennsylvania lobbyists and major Democratic donors, including Nello Giorgetti, Clifford Levine, and Lazar Palnick, amongst others.

Giorgetti and Levine are the leading forces behind the government affairs and lobbying practice of Cohen & Grigsby, P.C., a law firm with a vocal presence in Pennsylvania politics. The Pittsburgh-headquartered firm has offices in Florida and is one of the largest law firms in the country specializing in corporate tax, immigration, and government affairs and lobbying.

Giorgetti, a registered lobbyist since 2007, has represented over 70 large corporations, including Google. Levine, who chairs Cohen & Grigsby's Public Affairs Group, has a long history working in Democratic politics. He served as an Obama delegate to the Democratic National Committee (DNC) in 2008 and 2012, and he worked as an election lawyer for Pennsylvania Sen. Bob Casey (D.).

The firm sparked controversy in 2007 after Lawerence Lebowitz, who heads up the immigration practice, was caught on camera allegedly coaching businesses on how to avoid hiring qualified American workers in favor of foreign ones. In the past, the firm's PAC has donated to prominent Republicans and Democrats alike. Since 2012, Cohen & Grigsby donated roughly $10,000 to the man Lamb hopes to succeed in the House of Representatives, former Rep. Tim Murphy (R., Pa.).

Palnick helps clients navigate regulatory statute and election laws as a government affairs lawyer withthe Luminari Team. Stretching back to his childhood in Arkansas, Palnick has long been a friend of Bill and Hillary Clinton.

Both Levine and Palnick have served as presidential electors in Pennsylvania and were heavily involved in President Barack Obama's presidential campaign. The two men raised over a million dollars each for Obama's reelection in 2012, earning them top spots to the president's second term inaugural ball.

The host committee for the Feb. 9 fundraiser was similarly stacked with lobbyists, including the former finance chair of Hillary Clinton's 2008 campaign for president, American Beverage Association lobbyist Alan Kessler; and Ken Jarin, the head of a Philadelphia lobbying firm with strong ties to organized labor and the Democratic Governors Association.

Kessler, who also served as finance vice chair of the DNC, is a registered lobbyist with clients ranging from hospitals and healthcare groups to American Airlines. Kessler was subpoenaed in 2015 in conjunction with a pay-to-play investigation in the city of Allentown, Penn. The investigation resulted in the indictment of Democratic Mayor Ed Pawlowski by federal authorities on corruption charges.

Lamb's father, who has served as a federal lobbyist for PNC Financial Services Group and is now the group's vice president of government affairs, was also on the host committee for the event.

Lamb's campaign did not respond to a request for comment on the fundraisers.

Pennsylvania's 18th Congressional District is concentrated in the suburbs south of Pittsburgh. The district became vacant after Murphy resigned in October in the midst of revelations of an extramarital affair. Murphy was first elected to the seat in 2002 and never received less than 57 percent of the vote in his reelection battles. He only faced nominal opposition, running unopposed in 2014 and 2016 when the Democratic Party failed to field candidates. The district has a heavy Republican lean, voting for President Donald Trump over former Secretary of State Hillary Clinton by 19 points in 2016.

Lamb, a first-time candidate, comes from a well connected political family, a fact he rarely mentions on the campaign trail. His grandfather previously served as the majority leader of the Pennsylvania State Senate, and his uncle, Michael Lamb, is the current Pittsburgh city controller.
The 18th Congressional District special election is scheduled for March 13.

Huffington Post
February 12, 2018

Lobbyists Mingled With State Lawmakers At Democrats' Closed-Door Policy Retreat

https://www.huffingtonpost.com/entry/lobbyists-democrats-retreat_us_5a7dfbc1e4b08dfc93040362

When Democratic legislators gathered in a hotel in Portland, Maine, for a two-day policy conference last August, they were joined by a host of corporate interests who have good reason to want in on those conversations.

The meeting of the Democratic Legislative Campaign Committee, the party arm responsible for supporting state legislative candidates, was closed to the press and billed as an off-the-record event, but HuffPost has exclusively obtained a copy of the agenda, which shows the members of the DLCC's finance council.

The finance council includes companies, trade groups, labor unions and public interest organizations, who pay anywhere from $12,000 to more than $100,000 to the DLCC. In return, the conference provided an opportunity for donors to interact with state legislators — many of whom head their respective chambers — from around the country.

The Portland conference included prominent representation from the pharmaceutical and health insurance industries, including lobbyists from America's Health Insurance Plans, a national trade group that is currently lobbying against Vermont Sen. Bernie Sanders' Medicare For All bill. Representatives from the Association for Accessible Medicines, Eli Lilly, Sanofi, Sunovion Pharmaceuticals, Anthem, Merck, Novartis and Vertex also attended.

There was also a panel titled "Nicotine Without Smoke: How to Reduce the Harm of Smoking," featuring Dr. Saul Shiffman, a University of Pittsburgh professor and adviser to Pinney Associates, a pharmaceutical consulting firm that works with tobacco giant Reynolds American. The company, which also produces e-cigarettes and is currently lobbying Congress for "harm reduction" approaches to tobacco regulation, sent no fewer than four lobbyists to the conference, according to the agenda.

Representatives from the Edison Electric Institute, the powerful national trade group advancing utilities' interests, were also present, as were the American Fuel & Petrochemical Manufacturers, the Nuclear Energy Institute, McDonald's, Coca-Cola, Comcast, Monsanto, eBay and Wells Fargo.

Major labor unions also attended, including the International Union of Painters and Allied Trades, Iron Workers International and International Brotherhood of Teamsters, as well as a representative from Americans for Responsible Solutions, which advocates for gun control.

The finance council members who paid $35,000 or more to the DLCC were granted the opportunity for one-on-one meetings with state legislators slated for 90 minutes during the second day of the conference, according to the agenda.

DLCC communications director Mara Sloan said the policy conferences are forums for legislators to engage with each other and share new ideas, as well as "an opportunity for legislators to interact with industry leaders and learn more about policy positions of both the legislators and the organizations."

Sloan said that finance council members take part in setting the agenda, as part of "a collaborative process, with those planning to attend weighing in on what they would like to see in upcoming policy sessions, breakout panels or skills building workshops."

Council members have historically attended, and at times presented at, such conferences in order to "talk with legislative leaders about their priorities in states, such as expanding access to affordable health care, fixing crumbling roads and bridges, expanding broadband access to rural areas, and beyond," said Sloan. She added that public policy challenges often require public-private partnerships, and conferences such as the one in Portland provide "an opportunity for that dialogue" that includes industry, unions and progressive groups.

But one state legislator, who asked not to be named because he's received assistance from the DLCC, said he "felt uncomfortable" about the abundance of corporate interests.

Other legislative attendees HuffPost reached out to declined to comment on the relationship with the council. Democratic Maine state Sen. Rebecca Millett focused on the value of sharing strategies with colleagues across different states and campaigns.

"There has been real excitement about seizing the momentum that began with the marches last year and the wins across the country in state legislatures," she said. "In my six years as state senator, this is the most excited and motivated I've seen our base about running and supporting local and state campaigns."

The DLCC conference also featured former Democratic Alaska Sen. Mark Begich, who joined the legal and lobbying firm Brownstein, Fyatt, Farber & Schreck as a strategic adviser after leaving Congress in 2015. Begich backed Alaska's oil and gas industry in his six years in the Senate and co-founded the NewDEAL, a centrist Democratic group initially described as supporting "pro-business progressives" that now defines itself with the more neutral "pro-growth progressives" tag. Brownstein, Fyatt, Farber & Schreck's robust energy and mining practice includes such clients as Freeport LNG, CITGO Petroleum, Cobalt International Energy and Colorado Oil & Gas Association.

Begich also runs his own Anchorage-based consulting shop, Northern Compass Group, and in late 2016 called for opening the Arctic to offshore drilling.

Begich's office did not respond to a request for comment. Sloan said he "talked about connecting with voters on the issues they really care about and the strategy it took to win the Alaska House in a red state like Alaska," and was not "attending as a representative of any company."

"The DLCC does not take policy positions, and there is no quid pro quo expected from anyone attending our conferences," said Sloan. "We are working every day to close the fundraising gap with Republicans, who regularly outraise us."

Still, as the DLCC gears up for many crucial 2018 state races — seats in 87 of 99 state legislative chambers are on the ballot — it will need to reckon with thorny questions over political identity and policy, the merits of courting corporate and wealthy donors, and the role of lobbyists and high-powered consultants.

And there's a growing chorus of progressive activists surrounding the party that won't let those issues go away, including groups like Our Revolution and the Working Families Party, who have recently proved successful in running more progressive Democrats at the state level.

"It's no secret the same powerful corporate interests that own the Republican Party are trying to buy access and influence in the Democratic Party too," said Nelini Stamp, organizing director for the Working Families Party. "Democrats should resist. We won't beat Trump and the Republicans by compromising our values. Voters want leaders who will fight for the many, not the few."

Niagara Gazette
February 11, 2018

CWM directs lobbying efforts at county lawmakers
http://www.niagara-gazette.com/news/local_news/cwm-directs-lobbying-efforts-at-county-lawmakers/article_64fd43f2-11e5-594b-92bd-510967ea2a0e.html

The owners of the hazardous waste landfill in the Town of Porter have paid big money in the past decade to promote their agenda in state offices and last year hired a Western New York firm to directly lobby Niagara County lawmakers.

Records on file with the Joint Commission on Public Ethics (JCOPE), an entity charged with overseeing lobbying activities across the state, show Richardson Management, a company owned by North Tonawanda businessman Richard Winter, spent nine months last year on "government relations" work in the legislature.

Richardson Management was contracted from April to December of 2017 by another state lobbying firm, Park Strategies, on behalf of CWM Chemical Services, an affiliate of Waste Management of New York and a subsidiary of the national corporation Waste Management.

Winter was paid $22,500 for the work, according to the JCOPE filings, which took place as the county, along with the Town of Lewiston, continues an ongoing legal battle over the proposed expansion of CWM's landfill.

Both the county and the town have supported resolutions formally opposing the expansion and have also approved funding to retain attorney Gary Abraham, who is providing legal assistance through the ongoing state Department of Environmental Conservation application process, technically called "siting."

Reports filed with the state identify the reason for the lobbying being performed by Winter's firm as "private funding for county legal bills."

Lori Caso, a CWM spokesperson, described Winter's work as trying to understand "how much" the county has paid Abraham over the years.

"(Winter) would go in there to help us try to find information on how much Gary Abraham has actually been paid," Caso said. "I can’t get that information."

Abraham is paid in $50,000 increments that alternate between the county and Lewiston to represent both communities, as well as the Village of Youngstown, in opposition to the landfill's expansion.

Funds from communities opposing the expansion have also been used to hire expert witnesses for the administrative law proceedings that govern the decision, Abraham said in a telephone call. About half the money is devoted to witnesses, he said.

FORMER SENATOR TIED TO EFFORTS

Winter, who started Richard Management in 2001 after serving as chief of staff for ex-Republican state Sen. George Maziarz from 1995 to 1999, declined to elaborate on the nature of his work for CWM when contacted by the Niagara Gazette earlier this week. He said "confidentiality agreements" between his firm and his employers prevent him from doing so.

"I'm not at liberty to discuss the details of the work I do for clients," he said in a telephone interview.

In total, JCOPE reports show Waste Management, through its affiliated corporations, has spent $3.1 million on statewide lobbying efforts since 2007, the earliest records available through the commission's database.

The records also indicate that Maziarz – who publicly opposed the landfill's expansion during his time in elected office – served as a lobbyist on behalf of Waste Management of New York while employed by the firm Patricia Lynch Associates.

In the fillings, the firm reported Maziarz was one of several representatives who lobbied administrative, executive and legislative state offices under a contract between January and April of 2017. Maziarz was dismissed from the Lynch firm in April of last year after state prosecutors alleged he had inappropriately funneled campaign money to a former staffer. Maziarz, through his attorney, has denied all allegations of wrongdoing. He is scheduled to go to trial next month on charges that he violated state election law in advancing the transaction.

The vast majority of the $3.1 million was paid to various firms for lobbying work in state offices, a substantial portion of which related to the "siting" of a hazardous waste facility. But filings only date back to 2007, four years after the state DEC began considering the landfill's request to expand by 43.5 acres.

SOME COUNTY OFFICIALS RESPOND

The Niagara Gazette reached out to Majority Leader Randy Bradt, R-North Tonawanda, more than a week ago in an effort to discuss Winter's county lobbying activities.

A telephone call to Bradt was returned in an email message from county Public Information Officer Christian Peck who indicated that Bradt had the flu and was unable to answer questions by phone. Bradt did not return multiple, additional requests for comment from the newspaper.

The legislature's Republican Vice Chairman, Clyde Burmaster, R-Ransomville, said he has not met with Winter personally to discuss matters related to CWM. Burmaster, who has been staunch in his opposition to landfill expansion, said the legislature's 11-member GOP caucus has not been engaged by Winter as a group.

If approached by a CWM surrogate, Burmaster said he "probably wouldn’t speak to them." Though lobbying is a legal activity in New York, Burmaster still said he found engagement with CWM lobbyists "inappropriate," given the county's current position on landfill expansion.

"We’re engaged in (administrative law proceedings) against CWM with the unanimous support of the Niagara County Legislature in opposition to the new landfill," he said.

Minority Leader Dennis Virtuoso, D-Niagara Falls, said he has not met with Winter on the issue and neither has the four-member Democratic caucus as a group.

Whatever the intention of Winter's discussions, Virtuoso said he did not expect to be approached by him about the matters.

"He’s probably only talking to the majority, that’s where he donates all of his money to," Virtuoso said. "He donates to the Republicans, so the Republicans are going to listen."

Records on file with the New York State Board of Elections show Winter's company, Richardson Management, has donated about $9,200 to Western New York political candidates and committees in the passed year, with nearly half of donations being made to lawmakers in Niagara County.

Campaign donations from Richardson Management from last year include: former city of North Tonawanda mayor and current Republican state Sen. Robert Ortt, ($2,100); former county manager and former North Tonawanda Republican alderman Jeff Glatz ($525); Bradt ($350); Legislator Richard Andres, R-North Tonawanda, ($250); and North Tonawanda Republican Mayor Arthur Pappas ($100).

In addition, Richardson donated $1,000 to the Niagara County Republican's "housekeeping account," according to state board of elections records.

Burmaster questioned why the multi-billion dollar corporation has expended any resources on questions about Abraham's salary outside the process related to the state's Freedom of Information law which allows, with restrictions, for the release of public documents upon formal request.

"Why does CWM care about however much money has been expended?" Burmaster said. "What are they going to use that information for?"

Burmaster called the 15-year saga the "most bizarre thing."

"We, the people that are the most affected, have to spend our money against our government, who is really protecting CWM in this," he said.

Lincoln Journal Star
February 10, 2018

Lobbying expenses spiked as Congress shaped tax overhaul

http://journalstar.com/news/national/govt-and-politics/lobbying-expenses-spiked-as-congress-shaped-tax-overhaul/article_3e57ca87-a7f2-5e74-97a0-6820fb1b4961.html

Money spent on lobbying by corporations, trade associations and special interest groups spiked during the final three months of 2017 as they battled for the biggest breaks possible in the most dramatic tax overhaul in more than 30 years.

The figures for the heavyweights are eye-popping.

The National Association of Realtors tallied $22.2 million between Oct. 1 and Dec. 31, according to newly filed disclosure reports. That's double what the organization spent in the third quarter on lobbying activities. The Business Roundtable spent $17.3 million in the fourth quarter, nearly quadruple the amount over the three previous months, and the U.S. Chamber of Commerce reported spending $16.8 million, a $3.7 million increase.

President Donald Trump swept into the White House promising to "drain the swamp" in Washington, but lobbyists continue to wield considerable influence and they plied their trade with vigor as Congress crafted the $1.5 trillion tax-cut package that Trump signed into law in late December.

The tax overhaul was hustled through Congress in less than two months and mostly written in private. Public Citizen, a nonprofit watchdog group, said in a Jan. 30 report that more than 4,600 lobbyists were engaged specifically on the tax rewrite while several thousand more sought to influence tax policy in addition to other legislative matters. That worked out to 13 lobbyists for every member of Congress.

"Really in terms of galvanizing the entire profession, tax bills do that like nothing else," said Lisa Gilbert, Public Citizen's vice president of legislative affairs.

The National Association of Realtors said the millions of additional dollars in lobbying expenses were spent mostly on targeted advertising in the districts or states of members of the congressional tax-writing committees.

Among the group's successes, according to a lengthy report card it put together, were preserving the exclusion for capital gains on the sale of a home and winning a 20 percent business income deduction for real estate agents and brokers who are set up as "pass-through" companies. That means they pay personal income tax on their business earnings.

The group also took credit for spinning gold from straw. An initial version of the tax bill, for example, proposed capping the mortgage interest deduction at $500,000 — a major change that the organization said would have an "immediate and very negative impact" in high-cost housing markets.

The legislation signed into law by Trump set the cap at a higher level, $750,000, for new loans and exempted most current mortgages from the limit. Not ideal, but better than it could have been.

The Business Roundtable, made up of the CEO's of America's largest companies, promoted what it described as "pro-growth tax reform." The group said the fourth-quarter spending increase reflected increased lobbying activity, paid advertising and the hiring of new staff.

One of the group's lobbyists is its president and CEO, Joshua Bolten, who held a series of high-level jobs during President George W. Bush's administration, including White House chief of staff from 2006 to 2009. In addition to its own lobbyists, the group paid outside organizations nearly half a million dollars to lobby on its behalf during the last three months of 2017.

Along with cutting the corporate tax rate from 35 percent to 21 percent, the tax law grants tens of billions in tax breaks on profits that America's richest multinational companies have kept overseas. Both moves are big victories for big business.

Trump last month highlighted the nearly $250 billion that Apple is repatriating, saying the tech giant would invest $350 billion in the United States in the coming years. But Apple had planned to spend most of that money with its suppliers and manufacturers in the U.S. anyway.

Analysts have predicted that most of those overseas profits will flow into stock buybacks and dividend payments. That's what happened the last time a one-time break on offshore profits was offered more than a decade ago.

Specialized organizations also seized the moment. The Beer Institute spent $1.3 million on lobbying in the final quarter — a $390,000 increase — and cheered the results: two years of federal excise tax relief for America's brewers and beer importers.

Lobbyists didn't always get what they wanted.

Americans Against Double Taxation was formed specifically to prevent the state and local tax deduction from being scrapped. The group, which included the U.S. Conference of Mayors and the National Association of Counties, didn't register to lobby until mid-September and wound up spending around $46,000, a relatively small amount.

But the fight was an uphill one all the way and more money probably wouldn't have mattered. Republican architects of the tax-cut plan needed free up hundreds of millions of dollars for tax cuts and the state and local deduction was a juicy target.

Congress voted to impose $10,000 limit on deductions for state and local taxes. The shift will hit hardest in Democratic-leaning states such as California, Connecticut, Massachusetts, New Jersey and New York.

Utility Dive

SCE&G, Dominion lobby regulators to approve merger amid push to half Summer cost recovery

https://www.utilitydive.com/news/sceg-dominion-lobby-regulators-to-approve-merger-amid-push-to-halt-summer/516712/

Dive Brief:

- State lawmakers are considering a bill to temporarily block South Carolina Electric & Gas from charging for the failed VC Summer nuclear development. However, while the law would immediately reduce customer bills by a significant amount, it might also scuttle a proposed merger with Dominon, which offers significant customer benefits.

- Dominion has launched a campaign to lobby lawmakers and build public support. Its offer includes a $1,000 cash payment to customers and a 5% rate reduction.
- Dominion and SCE&G's lobbying efforts have drawn the attention of the state's Office of Regulatory Staff, which has issued a lengthy list of questions in the merger proceeding before state regulators.

Dive Insight:

The financial disaster of SCE&G's investment in the VC Summer nuclear expansion is now being dealt with on two separate tracks, but a collision may happen anyway.

At the Public Service Commission, Dominion and SCE&G are pressing for a quick decision on their merger. In the State House, they are lobbying to delay a bill that would temporarily forbid SCE&G from recovering its nuclear investment from customers.

The utility is currently billing customers up to $27/month for the project, according to The State newspaper.

Dominion Chairman, President and CEO Thomas Farrell II made the case for the merger in an op-ed published by The Post & Courier. He laid out the situation lawmakers and regulators face, arguing that $12.2 billion in customer benefits is a lot to pass up on. In addition to the large customer refund and moderate rate decrease, Dominion will absorb $1.7 billion in nuclear costs.

"It is the bird in the hand that is better than two 'maybe' birds in the bush," Farrell said. "It provides substantial customer benefits up front and over the long term."

But last month, lawmakers in the South Carolina House of Representatives overwhelmingly voted to halt SCE&G from recovering the nuclear costs. And a Senate panel approved the measure this week, sending it to the full chamber for a vote.

"We know our plan is not perfect," Farrell wrote in his opinion piece. "It substantially reduces but does not eliminate what customers would pay in new nuclear costs." But he also said approving the merger would eliminate costly litigation related to the nuclear development, ensure current customers are repaid, and partners the state with a parent company that can drive investment in renewables.

The state's ratepayer advocate has taken an interest in how much this full court press is costing. ORS has posed 176 questions to the companies on topics from profit margins to whether lobbyists played golf . Among the questions, ORS asks for a statement describing Dominon and SCE&G's national and state lobbying expenses.

SCANA Corp,. SCE&G's parent company, decided last year to abandonconstruction of the nuclear expansion last year after sinking $9 billion in ratepayer funds into the project.