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## Weekly Lobbying Articles

February 1, 2018

Mic

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### **Voters will consider a record number of ballot initiatives to reform our democracy in 2018 elections**

<https://mic.com/articles/187726/voters-will-consider-a-record-number-of-ballot-initiatives-to-reform-our-democracy-in-2018-elections#.oHJw2Ht5j>

A day after President Donald Trump's State of the Union, democracy reform activists are gathering in New Orleans to advance what they say unites America: making government more responsive to the people.

The Unrig the System Summit, hosted by anti-corruption group Represent.Us, is the first gathering of activists, politicians, celebrities, academics and others from across the country focused on passing state and local reforms to change how elections and democracy function. Movement leaders told *Mic* they have seen more support for democracy reform in the past year than any time since ethics and campaign finance reforms swept America post-Watergate.

Democracy reform encompasses a large swath of proposed laws and ballot measures being pushed in cities and states nationwide. Broadly speaking, these initiatives aim to reduce the amount of money in politics and the influence of lobbyists, increase access to the ballot box and limit state legislators from opposing the will of voters.

For example, volunteers in Ohio are pursuing a ballot initiative they say will lead to congressional districts that are fairly drawn. And more than 1 million Floridians signed on to placing an initiative on November's ballot that would restore voting rights to some of Florida's 1.6 million residents with felony convictions.

Represent.Us says that in 2016, 13 of these measures passed at the state and local level. And in 2018, at least 12 democracy reform measures could be considered on the state level alone, the group says, with many more being considered at the local level.

"Bernie and Trump helped people understand the system is broken and rigged," Dan Krassner, political director of Represent.Us, said in an interview. "All across the country, we're seeing a democracy movement on the rise."

In several states, the push for reform has been triggered by a state legislature stalling or blocking grassroots proposals. Voters in Maine will decide whether to demand the governor and state legislature implement ranked choice voting — which the state legislature blocked after voters said they wanted to rank their preferred candidates in 2016. Republicans in the North Dakota legislature have blocked the creation of an ethics panel, so a group has formed to push creation of that panel through a ballot initiative.

In Massachusetts, Ben Gubits is leading an effort to create a volunteer citizens commission to pressure state officials to support amending the U.S. Constitution. His group, American Promise, is pushing for a 28th Amendment to the Constitution, which would overturn the 2010 *Citizens United* Supreme Court decision that led to a flood of outside cash into political campaigns — a battle his group fights state by state.

“The idea of the initiative process was passed after the Gilded Age, so people could have more say in their democracy,” Gubits said in an interview. “We’re seeing this huge appetite for democracy reform, as I think the presidential election in 2016 really validated what a lot of people already knew, that our democracy is in crisis.”

Proponents of a ballot initiative in Alaska say that it is the direct result of legislative inaction. A campaign to limit the per diem that state lawmakers receive picked up steam in 2017 after state legislators received an average of \$37,000 each during four special sessions to pass legislation to fix Alaska’s budget deficit. Most state lawmakers received \$295 per day.

Jim Lottsfeldt, an Alaska lobbyist who has worked with Democrats and Republicans, helped launch Alaskans for Integrity, whose aim is to limit the days per year legislators could receive that per diem without passing a budget. The ballot initiative the group expects will be on the November ballot would prevent lobbyists from buying drinks or meals for legislators, prevent foreign money from being spent in state elections and require broader reporting of potential conflicts of interest.

“These ideas all polled at 80% [approval] or higher. ... I don’t see any reason there will be coordinated opposition,” Lottsfeldt said in an interview. “The institutions seem to be failing us. So now, the public is picking up tools. And they’re going to try fixing it.”

“This is going to keep happening until our elected representatives reform themselves,” he added.

Here’s a few examples of state-level democracy reform campaigns in 2018:

- Florida: More than 1 million signatures submitted to place Voting Restoration Amendment on the ballot
- Michigan: More than 425,000 signatures submitted to place gerrymandering reform on the ballot
- Missouri: More than 100,000 signatures collected in Missouri to place a government transparency and accountability measure on the ballot

Today’s question: *What is the role of citizens pushing ballot initiatives in this political environment?*

Thursday in Trump's America:

Russia investigation: The *New York Times* reported special counsel Robert Mueller is focused on Trump's role in formulating a response in July to a report that Donald Trump Jr. met with a Russian attorney who offered dirt on Hillary Clinton. Mueller may be investigating whether the response of Trump and his team constitutes obstruction of justice.

CNN reported that Trump asked Deputy Attorney General Rod Rosenstein in December if Rosenstein was "on my team."

"Of course, we're all on your team," Rosenstein responded to the president.

FBI mania: Rep. Adam Schiff (D-Calif.) released a letter Wednesday night claiming Rep. Devin Nunes (R-Calif.) "secretly altered" a memo drafted by the GOP, which Democrats and the FBI are warning falsely undercuts the Department of Justice. This is after a House committee voted on Monday to release the memo publicly, but before it was submitted to Trump. Nunes did not deny making the change. This could force House Republicans to take another vote on releasing the letter.

Peter Strzok, an FBI agent Republicans accuse of having an anti-Trump bias, played a key role in writing the letter to reopen the investigation into Clinton's private email server shortly before the 2016 presidential election, CNN reported.

FBI Director Christopher Wray made a rare public statement saying he had "grave concerns" about the memo Trump and Republicans want to release about his agency.

GOP retreat: Senate and House Republicans do not plan to discuss immigration at their retreat this week in West Virginia, despite the fact the Deferred Action for Childhood Arrivals program expires on March 5, *Politico* reports. The GOP will talk infrastructure, but avoid a topic that deeply divides House and Senate Republicans.

Shutdown talk: With a week until the government will shut down, members of the conservative House Freedom Caucus are saying they will not vote to keep the government funded unless spending on defense can rise and a conservative immigration bill is taken up.

We've seen this before: House Speaker Paul Ryan (R-Wis.) does not have enough votes to fund the government without these Republicans voting yes — short of making a deal with Democrats, who demand protections for DACA recipients.

Another deadline: The federal debt limit will have to be raised by late March or early April — a month earlier than expected because of lower revenues from the GOP tax cut law.

Retirements: Rep. Trey Gowdy (R-S.C.) became the latest Republican in the House to say he will not seek re-election. Gowdy gained fame as he led the inquiry into Clinton's handling of events in Benghazi when she was secretary of state. There are now 41 House Republicans retiring or seeking another office, compared to 16 Democrats.

Campaign finance: A *Tampa Bay Times*/TEGNA investigation found that long after lawmakers leave Congress, they use leftover campaign funds to finance their lifestyles and careers — far from spending political donations on politics.

SOTU: A deeper dive from *Mic* into fact-checking Trump's State of the Union statements on coal, immigration and the economy.

Trump said the ratings for his State of the Union were the highest ever. That's not true.

## Politico

February 1, 2018

### Zinke's agency held up Indian's casino after MGM lobbying

<https://www.politico.com/story/2018/02/01/zinkes-indian-casino-interior-312671>

Two casino-owning American Indian tribes are accusing Interior Secretary Ryan Zinke of illegally blocking their plans to expand operations in Connecticut — a delay that stands to benefit politically connected gambling giant MGM Resorts International.

The Interior Department's refusal to sign off on the tribes' plans for a third Connecticut casino came after Zinke and other senior department officials held numerous meetings and phone calls with MGM lobbyists and the company's Republican supporters in Congress, according to a POLITICO review of Zinke's schedule, lobbying registrations and other documents. The documents don't indicate whether they discussed the tribes' casino project.

Federal law gives Interior just 45 days to issue a yes-or-no verdict after a tribe submits proposed changes to its gaming compact with a state, as the Mohegan and Mashantucket Pequot tribes note in a suit they filed against Zinke and the department. But the department declined to make any decision in this case, an inaction that raises questions about whether an intensive lobbying campaign by one of the gambling industry's biggest players muscled aside the interests of both the tribes and the state of Connecticut.

"I think the Department of Interior has been derelict in failing to give approval" to the tribes'

request, Sen. Richard Blumenthal (D-Conn.) told POLITICO. “We asked for a meeting, but they were unresponsive. They never even responded.”

Meanwhile, MGM and its allies had direct access to Interior. Zinke had multiple conversations last year with Sen. Dean Heller and Rep. Mark Amodei — two Nevada Republicans whose state is a major center of employment for MGM, and who have each tried to impede the tribes’ casino plans. The company also doubled its lobbying spending and assembled a team that includes Bush-era Interior Secretary Gale Norton and Florida-based Trump fundraiser Brian Ballard. By signing up you agree to receive email newsletters or alerts from POLITICO. You can unsubscribe at any time.

The proposed Connecticut casino would sit on non-tribal land just across the border from a billion-dollar casino that MGM is planning in Springfield, Massachusetts. The Pequot tribe’s Foxwoods Casino in Connecticut previously provoked the ire of former New Jersey casino owner Donald Trump, who complained during a 1993 congressional hearing that “they don’t look like Indians to me.”

An Interior spokeswoman did not respond to requests for comment, but the department is due to respond by next week to the suit the tribes filed in November. MGM has sought to join the suit on Interior’s side.

MGM and its supporters say the tribes are trying to circumvent restrictions on “off-reservation” gambling while still maintaining their exclusive access to Connecticut’s lucrative casino market, and that the new property would provide unfair competition to its Springfield project. Interior officials sent the tribes encouraging signals as recently as May. But by mid-September the department reversed course, saying it would be premature to either approve or reject the plans.

“It’s 100 percent about delaying us for as long as they possibly can,” said Andrew Doba, a spokesman for the joint enterprise the tribes created for their new project.

The case is far from the first legal dispute to arise from Interior's role as the overseer of Indian tribes' gambling agreements with the states. Clinton-era Secretary Bruce Babbitt faced a special prosecutors' investigation after Interior rejected three Wisconsin tribes' plans for a casino that other, Democrat-supporting tribes opposed — though he ultimately was cleared. Indian gambling also played a key role in the George W. Bush-era Jack Abramoff scandal.

In the Connecticut case, the tribes have been operating two casinos — the Pequot tribe's Foxwoods and the Mohegan Sun — since the early 1990s. Their success in the market between Boston and New York provided competition to casinos in Atlantic City, including the formerly Trump-owned Taj Mahal.

As gambling spread across the U.S. in recent decades, MGM and other casino developers — including Trump — pursued projects in Connecticut but were ultimately unsuccessful. State law there limits casino ownership to the two in-state tribes and their new joint venture.

The tribes say they are fully complying with state law and the federal Indian Gaming Regulatory Act, which allows federally recognized tribes to operate casinos on their reservations or lands held in trust by the federal government. The casino they want to open is technically a commercial project that would be operated by MMCT Venture, a company jointly owned by the tribes that owns the casino site in East Windsor and entered into a development agreement with the town.

Connecticut Gov. Dannel Malloy and the state legislature signed off on that arrangement last year, so long as the tribes agreed to amend their gaming compacts that guaranteed a certain share of slot revenues would go to the state. The Indian Gaming Regulatory Act requires Interior to approve such compact amendments after a brief review window, unless the amendments violate the terms of the federal law.

The lawsuit seeks to force approval of the contract, arguing that the law does not allow Interior

to refuse to render a verdict.

“IGRA and its implementing regulations leave the Secretary with no discretion to proceed in any other manner,” Connecticut and the tribes argue in their lawsuit, filed in U.S. District Court for the District of Columbia on Nov. 29.

At one point, Interior seemed inclined to agree with the tribes’ interpretation of the law. In a May 12 technical guidance letter to the tribes, Associate Deputy Interior Secretary James Cason acknowledged that the Indian Gaming Regulatory Act provides for a 45-day review period for compact amendments and that the department may disapprove them only for violating the act, other federal laws or trust obligations to the tribes.

While Cason stressed that his advice was nonbinding and did not constitute a preliminary decision, he endorsed earlier guidance from the Obama administration that the Connecticut amendment reflected the “unique circumstances” at play and that opening a new casino would not affect the tribes’ exclusivity agreement with the state.

But the tribes’ request drew opposition from out-of-state lawmakers like Heller and Amodei.

“Under that framework, the tribes seek to expand off-reservation gaming without going through the procedures mandated by” the Indian Gaming Regulatory Act, Amodei wrote in a July 28 letter to Cason, following up on a discussion earlier that day. Amodei asked whether Interior planned to allow the 45-day review period to lapse, which would allow the amendments to be “deemed approved.”

Ultimately, Interior decided against approval. Acting Assistant Secretary for Indian Affairs Michael Black told the tribes in a Sept. 15 letter that approving or disapproving the amendment to their gaming compact was “premature and likely unnecessary,” and said Interior had “insufficient information” to make a decision. However, he did not cite any legal justification for that move, nor did he outline what additional information the department would need.

Interior has on at least one occasion returned a gaming compact amendment rather than make a yes-or-no decision, although the circumstances were slightly different at the time. In 2013, the department told the Cheyenne-Arapaho tribes in Oklahoma that it could not process their amendments because of incomplete information. But in that case, the department replied in less than 30 days rather than wait for the entire review period to elapse, and it cited specific regulations and outlined what additional information it needed from the tribes.

Black copied Amodei and Heller on his letter but did not include any Connecticut lawmakers. (He did say a separate letter was going to Malloy, the Connecticut governor.) Zinke and Heller also spoke on the phone on Sept. 15, according to an entry on Zinke's calendar. And the day before Black sent the letter, Zinke and Cason were scheduled to meet at the White House with deputy chief of staff Rick Dearborn, although Zinke's calendar does not list the subject of the meeting.

Ahead of the decision, MGM "participated in Interior's review" through meetings and correspondence in which the company urged Interior to either return the amendments without making a decision or to disapprove them for violating the Indian Gaming Regulatory Act, according to a statement filed in court by Uri Clinton, MGM's senior vice president and legal counsel.

MGM brought on heavyweights including Norton — who disclosed her work for the company just last month — as well as Ballard, a lobbyist who has helped raise millions for Trump's campaign. MGM's spending on lobbyists for all issues more than doubled last year, to \$1.5 million spread across five outside firms and its own newly formed in-house team.

An affiliated company, MGM Public Policy LLC, also paid \$270,000 last year to hire a team of lobbyists from Brownstein Hyatt Farber Schreck LLP to work on issues including gaming. That's the firm at which Deputy Interior Secretary David Bernhardt worked until he joined the administration last year, though he has agreed to recuse himself from matters involving former clients of his firm without prior authorization.

“MGM Resorts last year established a public policy office in Washington to engage more directly on Federal legislative and policy issues,” an MGM spokesman said in a statement. “Our advocacy activity reflected that increased engagement. As the largest employer in Nevada, part of that advocacy is routinely engaging our elected representatives.”

Heller and Amodei each had multiple meetings and phone calls with Zinke last year, according to the secretary’s calendar, although it’s unclear whether they discussed the Connecticut casinos.

On one occasion, Zinke joined Heller for dinner at a Las Vegas steakhouse on July 30, when he was in the state touring national monuments, one of several pieces of Interior’s portfolio of interest to Nevada.

A Heller spokeswoman did not respond to a request for comment. But the senator has tried to advance MGM’s interests in the past: In 2016, he offered an amendment to a defense bill that would have prevented Indian tribes from operating commercial casinos in the same state where they operate casinos on the reservation — precisely what the Connecticut tribes are trying to do. The amendment never came to a vote, and Heller does not appear to have ever discussed it publicly.

MGM employees and the company’s political action committee have given \$96,000 this cycle to Heller’s reelection campaign and leadership PAC, making the company his largest single source of contributions, according to the Center for Responsive Politics. Amodei has received no donations from company employees or its PAC.

Interior’s Sept. 15 decision came two weeks after Zinke invited several lobbyists for MGM to join him and other guests for a social visit on his office balcony, which overlooks the National Mall.

They included, according to Zinke’s calendar, Ballard and other lobbyists from his firm Florida-based firm Ballard Partners, which opened its first Washington, D.C., office in 2017. Also

present were Zinke's former family attorney and a major GOP fundraiser, according to copies of the secretary's calendar.

MGM hired Ballard in March and paid the firm \$270,000 last year, according to disclosure filings. Ballard was Florida finance chairman for Trump's 2016 campaign and helped organize a fundraiser at the Trump International Hotel in Washington last summer at which donors gave \$35,000 to attend or \$100,000 to join the host committee.

Ballard declined to discuss his work for MGM or any other client and said he could not recall the details of that particular meeting, which took place Aug. 29, according to Zinke's calendar. But Ballard said he had met Zinke and thinks "the world of him."

In October, MGM brought on Norton, who served as Interior secretary from 2001 to 2006, to lobby on issues related to the Connecticut tribes. Norton began lobbying for MGM on Oct. 25, according to disclosures filed Jan. 19.

The next day, Oct. 26, Interior officials spoke to the tribes and asked them to explain why the department was obligated to weigh in on their casino since it was being built by a commercial entity and not on tribal land.

In a brief interview last week, Norton said she did not know why her disclosure form was filed so late — lobbyists are required to file disclosures within 45 days — and she did not respond to follow-up inquiries.

Meanwhile, a new state legislative session begins in February in Connecticut. MGM plans to ask legislators there to allow an open bidding process for new casinos in the state, arguing that Interior's refusal to act shows that the state's attempt to limit casino ownership to the tribes would not work.

**Politico**  
**February 1, 2018**

**The Bizarre American Lobbying War Over Turkish-Run Schools**

<https://www.politico.com/magazine/story/2018/02/01/the-bizarre-american-lobbying-war-over-turkish-run-schools-216562>

A law firm hired by the government of Turkey is lobbying state officials across the U.S. about what it alleges is a suspicious network of American charter schools run by a dangerous Turkish opposition leader.

Federal records show Turkey's lawyers requested meetings in January 2018 with politicians in 26 states and the District of Columbia, including attorneys general, influential legislators and at least one governor — Michigan's Rick Snyder. The legal team has already sat down with an official in the Arizona attorney general's office, worked on legislation in Texas and attended school board meetings in California, Louisiana and Massachusetts.

It's the latest move in a curious propaganda war playing out in America's state capitals between Turkey's ruling party and a secretive religious movement that the Center for Public Integrity previously revealed has funded scores of international trips for state lawmakers from places such as Texas and Tennessee. Nonprofits associated with what is commonly called the Gulen movement — named for the elderly Turkish cleric Fetullah Gulen — sponsored subsidized trips to Turkey for at least 151 state lawmakers, the Center for Public Integrity reported last year.

Some of the state lawmakers who took the trips later introduced resolutions supporting the movement — or even backed some of the nearly 200 American charter schools linked to it.

“It’s such nonsense what’s going on in these schools,” said Robert Amsterdam, whose firm is leading the government of Turkey’s campaign to inform state leaders of what it calls “suspect” hiring of Turkish teachers and contractors, among other matters. “We think it’s very important for us to get the word out.”

Turkey retained Amsterdam and Partners LLP, an international law firm with offices in London and Washington, D.C., that specializes in cross-border disputes and white-collar crimes, in 2015 as the Gulen movement was falling out of favor with President Recep Tayyip Erdogan’s party. Following a failed coup attempt in July 2016, Turkish leaders sharpened their rhetoric, calling Gulen a terrorist and demanding the U.S. extradite him from the compound in Pennsylvania’s Poconos where he lives in exile.

Turkey then made headlines last fall when former White House national security adviser Michael Flynn was reported to be under investigation for helping to plan to kidnap Gulen and return him to Turkey. The White House has stayed mum about the request, and the Justice Department did not respond to a request for comment about the status of the extradition request.

Within Turkey, the ruling party has jailed more than 40,000 alleged supporters of Gulen and shut down related institutions ranging from news outlets to a bank. Stateside, Turkey has paid at least \$1.8 million funding Amsterdam and his team in the effort to undermine the Gulen movement and the schools.

A spokesman for Gulen, Alp Aslandogan, denies that either Gulen or his followers had any

involvement in the coup attempt. He said they are not worried about Amsterdam's efforts with state officials because he is pushing "a toxic brand" — Erdogan. "The moment they realize it they will see the political and monetary motivation behind this," he said. "Robert Amsterdam is not interested in the education of American kids."

While spokespeople for the schools have said they aren't affiliated with Gulen, Aslandogan acknowledged they were "started by individuals who are sympathetic to the Gulen movement." He said the schools should be judged by their performance, and "by and large, they are doing a very good job."

Some of the schools, such as those in the Harmony chain in Texas, indeed have won awards and recognition, while others have just mediocre test scores. Still, the schools have been dogged by accusations of financial irregularities and extensive hiring of Turkish citizens.

The new revelations of Turkish lobbying come at a delicate moment for U.S.-Turkey relations. In recent weeks, the two countries have found themselves on opposite sides in Syria, after the Turkish government attacked a Kurdish militia that is supported by American forces. Tensions grew after Turkish officials disputed the White House's account of a phone call between President Donald Trump and Erdogan.

One of the Turkish government's lobbying targets is Illinois' powerful Democratic House Speaker Mike Madigan. John Martin, a lawyer representing Turkey, wrote him an email last week requesting a meeting.

Madigan may seem a surprising choice. He was among those who went on trips to Turkey guided by a Gulen nonprofit — in his case, four trips total. He paid for his hotels and flights and contributed to the cost of the trips, said his spokesman Steve Brown, but state records show he also disclosed at least one of the trips as a gift worth more than \$500. Madigan has also appeared in a promotional video for one of the schools linked to the movement, Brown said. Martin, the lawyer representing Turkey, acknowledges the “awkwardness” of reaching out to state officials such as Madigan who have already had positive experiences with the Gulen movement. “One of our intended messages is, ‘Hey, look, you may have taken a trip with these folks or you may have even received a political contribution,’” he said. ““We’re here to inform you and let you know who these people are so that the next time your eyes are wide open.”” But others find such efforts unusually aggressive.

“The zeal with which the Erdogan administration wants to root out and suppress the Gulen movement is surprising to me,” said William Martin, a friend of the Gulen movement and a professor at the Baker Institute for Public Policy at Rice University. “That is characteristic of an authoritarian regime and not a democratic regime.”

The lobbying team has also tried influencing legislation and law enforcement in Texas, which has around 40 Gulen-linked schools and at least 10 state lawmakers who have gone on trips to Turkey with the movement. “In Texas, there are a network of charter schools where there have been serious allegations of, or highly suspected activities of financial mismanagement, suspected fraud, apparent self-dealing,” John Martin wrote in an email in January 2018 requesting a meeting with the state’s Attorney General Ken Paxton.

Harmony Charter Schools in Texas, one of the school chains targeted by Amsterdam, points out that another state agency already dismissed an investigation instigated by the firm. “Since then the school has only grown in popularity, with an annual waiting list of about 30,000,” said Timothy Lankford, a spokesman for the school. “It clearly indicates the quality and efficiency of our organization. Harmony is a transparent organization.”

Turkey’s legal team also hired Texas lobbyist Jim Arnold at a rate of \$20,000 per month, according to filings required under the Foreign Agents Registration Act. Last year, Arnold, a Republican strategist who ran Rick Perry’s campaign for lieutenant governor in 1998, attempted to drum up legislative support for bills to require more transparency from charter schools, but the measures failed to pass.

“I have had numerous complaints from many of my constituents about the Harmony schools,” said state Rep. Dan Flynn, a Republican who sponsored one of the bills. “I don’t think they have the same accountability as our other public schools.”

The Texas lawmaker received \$250 in political contributions from Arnold’s firm since the lobbyist began working for Turkey. Flynn said Arnold, who did not respond to requests for comment, is a longtime supporter.

The Texas Charter School Association, an advocacy group that says it represents more than 90 percent of Texas’ public charter school students, defended the schools’ performance.

“Harmony provides high quality teaching and learning at Harmony, perhaps best exemplified by

their May 2017 nomination as a Broad Prize finalist for the best public charter school system in the nation,” charter school association spokesman Seth Winick said in an email.

Still, Dan Flynn said he will try again to pass the transparency legislation when the Texas Legislature reconvenes next year.

**The Post and Courier**  
**January 31, 2018**

**SCANA-Dominion merger a risky deal for S. C. ratepayers**

[https://www.postandcourier.com/opinion/commentary/scana-dominion-merger-a-risky-deal-for-s-c-ratepayers/article\\_74a739ea-06d4-11e8-aca6-aba462a44c6e.html](https://www.postandcourier.com/opinion/commentary/scana-dominion-merger-a-risky-deal-for-s-c-ratepayers/article_74a739ea-06d4-11e8-aca6-aba462a44c6e.html)

Costing over \$9 billion, the V.C. Summer nuclear power plant was a bruising failure. South Carolina electric customers need a fresh start. To get that, they ought to avoid a shotgun marriage between SCANA and shareholder-owned Dominion Energy.

Like many electric utilities, Dominion Energy has a government-granted monopoly that shields it from competition. Like some others, it has repeatedly employed this grant of public service to extract substantial benefits for its shareholders from its captive customers. This tendency to abuse the public trust tends to get worse as companies merge and grow bigger, upsizing their economic and political power.

In a recent report I authored for the Institute for Local Self-Reliance, we detail the rising tide of utility mergers across the country. In the past two decades, utility companies have grown from regional powers within states into multi-state conglomerates with dubious economies of scale but powerfully evident economies of lobbying. These mergers make big headlines and big returns for utility shareholders, but often leave customers with second thoughts about the marriage.

For one, big utility companies leverage their freedom from competition to throw their weight around the legislature. Dominion Energy has already shown it will have a heavy lobbying presence in South Carolina, long before it can say its vows to SCANA. It’s hiring new lobbyists, including former Gov. Jim Hodges, taking out full-page newspaper ads, and has donated over \$13,000 to state legislators in the past three months.

To see how this plays out, one only needs to look at another monopoly play in Minnesota last year. Multi-state electric and gas utility Xcel Energy was frustrated by careful deliberations of the Minnesota Public Utilities Commission over a proposed new natural gas power plant. Deploying an army of 75 lobbyists at the state capitol in St. Paul, Xcel crammed through legislation overriding the commission's cost review and allowing construction of the \$1 billion power plant (with an estimated \$5 billion cost to customers to buy fuel over its lifetime). The plant costs customers far more than alternatives, but is worth approximately \$100 million to investors.

The takeover bid also seems unlikely to match customer benefits with shareholder ones. There's no question Dominion's bid for SCANA would be a boon for shareholders, changing little about the South Carolina company's past practices. The Post and Courier reports that SCANA shareholders collected \$350 million in 2017 alone, while the utility racked up expenses for a power plant that will never be built. Dominion's offer is similarly sweet to shareholders, providing a 31 percent premium stock swap worth nearly \$2 billion. Furthermore, in a presentation to shareholders filed with the federal Securities and Exchange Commission, Dominion says it expects higher earnings per share worth up to \$4.5 billion or more by the end of 2020. Dominion's pre-nuptial offer includes a \$1,000 rebate (called a "payday loan" by one state legislator) and rate reductions, but much of the promised largesse was already on the table with SCANA or due to customers because of the recently passed federal corporate tax cut.

There's no guarantee that promised savings would stick; all too often, merged utility monoliths claw back their payments to customers. When multi-state conglomerate Exelon bought Baltimore Gas & Electric several years ago, for example, it promised a \$100 per-customer rate credit (sound familiar?). The savings were quickly swamped by three years of successive rate increases totaling more than \$100 million. Another utility involved in the merger, Delmarva Power, similarly reclaimed its two paltry \$50 rate credits with a 7 percent rate hike a year later.

Could public regulators that failed to rein in SCANA be trusted to hold Dominion to account? Back in Dominion's home state of Virginia, Richmond Times-Dispatch columnist Jeff Schapiro is blunt: "In recent years, when the [State Corporation Commission] has done something that Dominion deems offensive — whether it's management oversight or rules for underground power lines — the company uses its checkbook to entice legislators to undo it." Case in point: the Times-Dispatch reports Dominion already has a record of withholding money from its Virginia customers — \$1 billion in excess earnings. And how

did that come to pass? It could be coincidence, but the author of the 2015 law received \$23,000 in contributions from Dominion employees in a single day, just four months after the bill's passage.

Dominion dallies with legislators and public commissioners in multiple states, but all in service to its avowed partner — shareholders. If this merger is consummated, South Carolina utility customers will always be the mistress, and SCANA shareholders the Mrs.

John Farrell is director of the Energy Democracy Initiative for the Institute for Local Self-Reliance, a public policy and advocacy group headquartered in Washington, D.C.

**NBC News**  
**January 30, 2018**

**States take on drug prices; Big Pharma takes on states**

<https://www.nbcnews.com/health/health-care/states-take-drug-prices-big-pharma-takes-states-n842886>

It was expected to be a perfunctory state house meeting — three lobbyists and a legislator discussing a proposal to educate Louisiana doctors about the price of drugs they prescribe.

The bill seemed like a no-brainer in a country where even decades-old medicines can cost thousands and consumers are urged to make smart choices in buying health care. The legislation simply required pharmaceutical sales reps promoting medicines at doctors' offices to also reveal a price.

No one expected the industry scrum that materialized.

About 10 pharma lobbyists flooded the room in Baton Rouge's art deco state capitol, some of them hired guns — lobbyists who'd never represented drug companies before, remembers Jeff Drozda, an insurance lobbyist at the 2016 meeting.

"The message was: We're going to bring everything at you against these bills," he said.

They did. Pharmaceutical Research and Manufacturers of America, the powerful trade group known as PhRMA, donated directly to more lawmakers in Louisiana than in any other state in 2016, a new IRS filing shows. When discussion of the measure reached its peak last year, the industry hired a lobbyist for every two legislators.

PhRMA spent thousands entertaining lawmakers at Baton Rouge venues such as Mike Anderson's Seafood, specializing in shrimp-and-crab gumbo, and the Mestizo Restaurant, home of the Daredevil Margarita, lobbying records show.

"I've been in the legislature 10 years. I've never in my life seen that kind of effort," said Kirk Talbot, a Republican who sponsored the bill in the Louisiana House.

"The message was: We're going to bring everything at you against these bills."

With federal officials seemingly unwilling or unable to come up with legislation to control skyrocketing drug prices, that task is increasingly moving to the states. But so is pharma muscle and money opposing the measures, regulatory disclosures and corporate filings from the last two years show.

State lawmakers are likely to consider drug-price transparency bills this year in Connecticut, Michigan, Oregon, Washington and New Jersey, to name just a few. Many of the measures are similar to a new California law that requires drugmakers to justify big price increases. (To fight that law, the industry hired 45 lobbying firms.)

Meanwhile, activists who backed a 2017 law enabling Maryland officials to challenge "unconscionable" price increases for generic drugs now advocate price regulation for all expensive pharmaceuticals. Policymakers in New Mexico, Massachusetts and Arizona are talking about limiting drug coverage or negotiating drug prices under Medicaid.

In Washington, D.C., PhRMA is widely credited with stalling federal drug-price measures for

years, with lobbying, advertising and political contributions.

Now states are getting a dose of the same medicine.

PhRMA set the stage in 2016 by establishing a group that ultimately spent \$110 million to defeat a high-profile California ballot initiative requiring state agencies to pay no more for drugs than does the federal Department of Veterans Affairs. A PhRMA-linked group spent more than \$50 million to defeat a similar ballot measure last year in Ohio.

Traditionally well-represented in state houses, PhRMA wrote checks to hundreds of legislative candidates and political action committees in dozens of states in 2016, newly available IRS filings show. So did many of its member companies, according to new data published by the Center for Political Accountability, a nonprofit that works to shed light on corporate political spending.

Merck, maker of a hepatitis C drug called Zepatier that costs \$54,600 according to Truven Health Analytics, gave \$19 million to PhRMA in 2016. It also gave about \$500,000 to candidates and political committees in some two dozen states, sometimes in checks as small as \$100, according to the CPA data compiled from voluntary disclosures on corporate websites.

Amgen, maker of leukemia drug Blincyto, which costs \$173,000 for an average treatment, donated to more than 100 state house candidates in about a dozen states for the 2016 elections. Johnson & Johnson, Pfizer, Bristol-Myers Squibb and Allergan also directly or indirectly supported state candidates in 2016, CPA data show.

"I've been in the legislature 10 years. I've never in my life seen that kind of effort."

Pharma companies "definitely have not seen that kind of activity aimed at them at the state level before and have raised their presence to address that," said Leanne Gassaway, top state lobbyist for America's Health Insurance Plans, a major insurance trade group.

Few states got as much pharma attention the past two years as Louisiana, though the money spent there fell short of the tens of millions invested in swaying referenda in California and Ohio. It's cheaper to influence scores of lawmakers than millions of voters.

Drug prices are "something that's completely out of control," Talbot said, adding that he gets constituent requests to rein in prescription medicine prices.

Neither Talbot, chairman of the House insurance committee, nor many others in the conservative state are moving to regulate drug prices. But he and other lawmakers saw promise in an idea from Blue Cross and Blue Shield of Louisiana, a big insurer whose premiums have been driven up partly by rising drug expenses.

The proposal, which got little news coverage even in Louisiana, would have required sales reps promoting their latest, greatest medicines to give doctors the wholesale prices at the same time. Physicians, who are largely unaware of prescription costs, might think twice about ordering \$500 worth of brand-name pills when a \$30 generic could deliver the same benefit, the thinking went.

The measure died in committee after the pharma lobby staged its flash mob at the 2016 meeting. When the idea came up again last spring, this time with backing from Talbot and Sen. Fred Mills, Republican chairman of the Senate health committee, the industry shifted into high gear.

Mills got "a tremendous amount of calls" on his cellphone from pharma lobbyists as well as emails and texts almost immediately after his bill landed on a legislative website, he recalled. First in line was Pete Martinez, PhRMA's top Louisiana operative.

"I've had this volume" of special-interest pressure "but not the speed," said Mills, a small-pharmacy owner from St. Martin Parish who said he sees the rising price of pills firsthand. Mills

recalled phone calls from “top government affairs people” at Pfizer, “telling me the problems with this bill.”

No fewer than 84 lobbyists representing pill companies blanketed Baton Rouge at the height of the legislative session last year, state records show — the most in at least nine years.

In 2016, PhRMA gave directly to about 80 Louisiana state politicians, more than those in any other state, the IRS filing shows. PhRMA and individual drug companies have made more than \$600,000 in contributions to Louisiana state and local political races in the past three years, according to campaign finance files.

Martinez did not respond to requests for an interview. At hearings in Louisiana, PhRMA argued that informing doctors of wholesale drug prices is irrelevant to patients. What matters is consumers’ out-of-pocket payment, not the rest of the cost that’s often picked up by insurance, they said.

“We are committed to engaging with lawmakers, patients and others to find solutions that actually help patients,” a PhRMA spokesman said in a statement for this article.

Proponents countered that rising total drug costs are an increasingly painful burden on taxpayers, employers, workers and everybody else who pays them indirectly through insurance plans and government programs.

PhRMA’s opposition had an effect.

Instead of making sales people disclose prices, the legislation that lawmakers eventually passed and that Gov. John Bel Edwards signed in June requires the Louisiana Board of Pharmacy to host a website listing the information. Rather than ordering drug reps to tell doctors about the site, the act says they “may” give prescribers the internet address if they choose.

The law “is quite watered down and basically meaningless,” said Ameet Sarpatwari, an epidemiologist and lawyer at Harvard Medical School who follows pharma laws.

Talbot says he may have lost this battle but will continue the war.

“I’m going to take another stab at it” this year, he said. “We’re on the front wave of this thing. All the states are jumping on this bandwagon.”

**Miami Herald**  
**January 30, 2018**

### **After scandal, Florida Senate ready to make sexual harassment a crime**

<http://www.miamiherald.com/news/politics-government/state-politics/article197476379.html>

Rattled by sexual harassment allegations that ended the career of a powerful lawmaker and exposed a state capital culture that harbored abusers, a Florida Senate committee Tuesday unanimously passed a bill to make sexual harassment in government offices a crime.

There was little comment, and no discussion by the Senate Ethics and Elections Committee as it approved [SB 1628](#) by Sen. Lauren Book, D-Plantation.

Seated in the audience was Book’s legislative aide, Laura McLeod, the witness who provided corroborating testimony to the Senate investigator examining sexual harassment claims against Sen.

The Senate investigation found probable cause that Latvala violated Senate misconduct rules by harassing Perrin Rogers and may have violated public corruption laws when he sought sexual intimacy from McLeod in exchange for legislative favors. Latvala resigned a day after the report came out.

“I would just like to thank you,” Sen. Keith Perry, R-Alachua, chair of the committee, told Book. “I know it’s a lot of work, a lot of effort, a lot of emotions involved in this. You would hope that as grown-ups we wouldn’t have to do this, but we do.”

Book was grateful.

“This is the first step,” she replied, her voice cracking with emotion. “This has meant a lot to a lot of people, so we’re very thankful.”

Powerful men continue to be accused of sexual harassment and assaults, and have been responding by accepting, hedging or dodging the allegations.

The bill outlaws sexual harassment, including unwanted sexual advances by legislators, candidates for public office, agency employees and lobbyists. It imposes new penalties on violators, creates a new victims advocate in each agency, and bans the hiring of so-called “closers” — often young men and

women retained by lobbying firms who may be expected to submit to sexual advances from lawmakers in the closing days of the legislative session.

“The overwhelming majority of people in this process conduct themselves with decorum and show genuine care for others, but we know, and have clearly seen, that where there is power, there is potential for abuse,” Book told the committee.

“Sexual harassment and misconduct have no place within this process — or anywhere for that matter. The time has come to re-balance the scales of power, so that each and every person who works in service to the great state of Florida is safe, protected and heard.”

The bill was amended to increase penalties and strengthen other elements, including allowing anyone to file a complaint against someone through the Florida Commission on Ethics for an investigation.

The measure also increases the penalties, including a minimum mandatory civil penalty of \$5,000 per act and up to \$20,000 per act for enhanced violations. The money would go to the victims compensation trust fund. Lobbyists who violate the new law can have their lobbying registration suspended or revoked, and violators must pay for the victim’s advocate and the victim’s attorney, if there is one.

Amid the national #MeToo movement, the Senate bill is the most sweeping rewrite of state sexual misconduct laws in Florida in a generation, but it is not the only one. An hour before Book’s bill came up for a hearing, House leaders released their rewrite of the companion measure sponsored by Rep. Kristin Jacobs, D-Coconut Creek, and attached it to an existing Republican bill, [HB 7007](#).

“We believe these new rules are the toughest in the nation and they will apply to all state employees, legislators, and visitors,” House Speaker Richard Corcoran, R-Land O’Lakes, said in a statement. “Never again should one’s job title or position of power shield them from accountability for their disgusting behavior.”

The House plan, also sponsored by Republican Rep. Jennifer Sullivan of Eustis, includes a provision squarely targeting Latvala, who is using his political committee to fund his legal defense against the allegations and potential criminal charges.

Both bills increase penalties for harassment, exempt from public disclosure the names of the accusers and any identifying information about them, and both attempt to deter retaliation. Both bills establish the Task Force on the Prevention of Sexual Harassment and Misconduct charged with reviewing the laws and policies at least every four years to see if they are working and need to be updated.

“Change doesn’t happen with the stroke of a pen,” Jacobs said. “But it’s where we begin.”

Both bills increase training of lawmakers and their staff, but neither chamber is willing to completely remove the oversight of the Legislature. Both proposals authorize the Florida Commission on Ethics to conduct investigations but only after a written complaint is filed with the House or Senate.

There are differences:

- The Senate requires anyone with personal knowledge of sexual harassment to report it to the Ethics Commission or their agency’s designated person within 10 business days and prohibits anyone from

“knowingly or recklessly” filing a false complaint; the House requires any suspected criminal conduct or sexual assault to be promptly reported to law enforcement.

- The Senate imposes fines and penalties, including the removal of public officials from office, fines of up to \$10,000 per act and \$20,000 per violation, and the suspension or revocation of a lobbyist’s registration.
- The House attempts to address dating between a boss and a subordinate by requiring agencies to adopt policies and establish limits for consensual dating relationships.

The differences are not insurmountable, Jacobs and Book told reporters.

“The end goal is for this bill to pass and the degree to which each chamber gets everything they want, that’s not the way this process works,” Jacobs said.

“We wanted everybody to come to the table to examine the culture that we know exists,” Book said. “There’s a lot of stuff that has gone on here for a long time. Things that we’ve seen, that have been very close to a lot of us and we are going to roll up our sleeves and talk through the different things the measures have.”

Appearing in support of the bill was Attorney General Pam Bondi, who commended the privacy protections for victims and the provision that makes a victims advocate available to accusers.

Book said she wondered why, as the #MeToo movement spawned reforms in other states, more women had not come forward in Florida. She concluded it was because “this is a process that is deeply rooted in this good ol’ boys club” but in the end, “what is done in the darkness will come to light.”

**Herald-Tribune  
January 30, 2018**

### **Sarasota state House candidates spar at debate**

<http://www.heraldtribune.com/news/20180130/sarasota-state-house-candidates-spar-at-debate>

Compared to the steady onslaught of negative advertising in the race, the first debate between the three candidates vying for a Sarasota state House seat was largely civil, with the candidates playing it safe and mostly sticking to the issues before trading jabs in the final minutes.

The race for the District 72 seat covering much of northern Sarasota County has grown increasingly heated. Democrat Margaret Good and Republican James Buchanan, and their allies, have launched a series of attack ads on everything from immigration to climate change and the professional experience of each candidate.

Good and Buchanan exchanged a few barbs over their donors and education policy toward the end of Tuesday’s debate on ABC7.

Buchanan slammed Good for raising a large portion of her campaign contributions from developer Hugh Culverhouse. “I want to know what you’ve promised him,” Buchanan said.

Good said Culverhouse is a strong environmentalist who supports her “because he doesn’t want another Buchanan in office.” Buchanan is the son of U.S. Rep. Vern Buchanan.

Good also noted that Buchanan has received significant funding from special interests who want to influence legislative policy.

But for 45 minutes there was little evidence of animosity between the two candidates. Instead, viewers saw ABC7 moderator Alan Cohn try to flesh out where Good, Buchanan and Libertarian Alison Foxall stand on a number of issues, from the Legislature pre-empting local government regulations to abortion and school vouchers.

All three candidates said they have concerns about the Legislature passing so-called pre-emption laws. State lawmakers have tried to prevent local communities from regulating trees, vacation rentals and lawn fertilizer in recent years, among other issues.

Good said the tree regulation bill filed by Sen. Greg Steube, R-Sarasota, is “not how our government should work” and an example of Tallahassee run amok.

Buchanan said: “It’s on a case-by-case basis, but what I will tell you is I support a lot of this being handled at the local level.” Asked if it’s a contradiction to say he supports home rule while he also backs legislation that would punish so-called sanctuary cities and counties that do not fully cooperate with federal immigration authorities, Buchanan said he doesn’t believe in home rule “across the board.”

“As it relates to sanctuary cities: Yes we have laws in this country,” Buchanan said. “We shouldn’t be harboring illegal immigrants.”

Good said the sanctuary city bill is “yet another example of the Legislature trying to tell local cities and counties what to do.”

Despite Buchanan’s strong emphasis throughout the campaign on banning sanctuary cities, he skipped over the issue when asked what his top priority would be as a lawmaker and instead said he wants to work on addressing the state’s opioid abuse crisis. Good said she wants to expand Medicaid in Florida. Foxall said she wants to deregulate a number of professions.

Buchanan had not participated in any candidate forums before Tuesday’s debate, so his views have not been fleshed out in public to the same degree as those of Good and Foxall. On some issues it was hard to tell exactly where he stands.

Asked whether he would restore some of the growth-management regulations that were rolled back by Gov. Rick Scott, Buchanan said: “We should make sure we have proper infrastructure if we’re going to develop.” He repeated the same answer when Cohn asked if developers should be paying more.

Good said it’s a “no-brainer” to have developers “pay their share.”

Education issues came up repeatedly, with Good criticizing the Legislature’s policies supporting charter schools and a system of de facto school vouchers that allow children to attend private schools.

“Those voucher schools are not being held accountable,” Good said. “It’s hard for me to imagine that Mr. Buchanan is going to fight for our public school system when he has aligned himself with Rick Scott and the establishment Republicans that want to move to privatize our education system.”

Buchanan initially said that public money should go only to public schools, including charter schools. But he later made a pitch for a proposal being pushed by House Speaker Richard Corcoran that would expand the state’s tax credit vouchers to cover children who are bullied.

“If a child’s being bullied, if a child has a learning disability and the parent believes they should be in a different environment it should be in the parents’ hands, not in the hands of bureaucrats to decide that,” Buchanan said after also noting the state has committed record amounts of funding to public education.

Buchanan’s answer on abortion was noteworthy for a Republican. Asked if he supports more restrictions on abortion, he said he is “pro-life” but that “the decision’s best made between the mother, her family and the pastor or their priest; that’s how I personally feel.”

Foxall also said she is “pro-life morally speaking” but added that “as a policy matter I’m pro-choice.”

The Libertarian candidate used her opening statement to accuse state lawmakers of being “ beholden to special interests and lobbyists” and later declared that “the two-party system is broken in this country.” She was aggressive from the beginning and also got the last word with the final closing statement. She used it to slam both opponents.

“I ask everyone to vote for me on February 13 or else you’ll be stuck with this or this,” she said pointing to Good and Buchanan.

Early voting begins Saturday in the District 72 special election. Election Day is Feb. 13. No other debates featuring all three candidates are scheduled.

**Orlando Sentinel**  
**January 30, 2018**

**Amid SeaWorld lobbying, bill to ban orca breeding in Florida is killed**

<http://www.orlandosentinel.com/news/politics/political-pulse/os-seaworld-brief-bill-20180130-story.html>

A state bill to ban orca breeding and future captivity in Florida was killed by a legislative subcommittee, the Tampa Bay Times is reporting.

The Florida Orca Protection Act, which aimed to turn into law what SeaWorld voluntarily adopted in 2016, was pending in the House of Representative's Natural Resources & Public Lands Subcommittee but did not make the agenda of bills to be heard Tuesday, the newspaper reported.

"This shouldn't be a controversial issue because it's just making law out of what SeaWorld says its corporate policy is," Animal Legal Defense Fund attorney Lindsay Larris told the newspaper. "There's no accountability. It should be the lawmakers holding them accountable."

SeaWorld spokesman Travis Claytor had said the Orlando-based company has already committed to end orca breeding. "The legislation is unneeded and distracts from the great work being done to positively impact Florida's wildlife," he said, according to the Times.

SeaWorld had three lobbyists registered to advocate against the bill, the Times reported.

California legislators passed a similar version of the bill into law.

SeaWorld is expected to release its latest quarterly earnings Feb. 27.

The company has faced steady declining attendance and revenues following backlash from the documentary "Blackfish."

**Santa Fe New Mexican**  
**January 29, 2018**

**Lobbyist spending on meals, receptions fuels lawmakers**

[http://www.santafenewmexican.com/news/legislature/lobbyist-spending-on-meals-receptions-fuel-lawmakers/article\\_0b85ab71-08be-5b5d-89f3-e2743ebc1d11.html](http://www.santafenewmexican.com/news/legislature/lobbyist-spending-on-meals-receptions-fuel-lawmakers/article_0b85ab71-08be-5b5d-89f3-e2743ebc1d11.html)

Energy companies, state-funded schools, car dealers, health care companies and others have kept New Mexico legislators well fed during the first half of the 2018 Legislature, while the state's ski industry made its annual distribution of free ski passes to any lawmaker who'd take one.

This is according to the legally required reports — available on the secretary of state’s campaign finance website — filed as of Monday afternoon by lobbyists accounting for money spent on legislators during the session.

So far, lobbyists have reported spending more than \$75,000 since the session began two weeks ago. But the head of a government watchdog group said Monday that the money seen in the reports doesn’t tell a complete story. Because of loopholes in the law, as well as generally lax reporting requirements, many expenses can go unreported, said Viki Harrison executive director of New Mexico Common Cause.

“Not enough data is required to be reported,” Harrison said in an interview. “They report these dinners and what they spend on drinks. But we don’t even know how much companies are paying to have lobbyists there.”

She said several other states require those who hire lobbyists to report lobbyist salaries. There have been bills in New Mexico to establish such a requirement, but they haven’t gone far.

Harrison pointed to a 2015 change to lobbyist reporting requirements that created a huge loophole. Legislation that year ended a requirement that lobbyists report cumulative spending on lawmakers if individual expenditures are under \$100. That means lobbyists could buy a lawmaker a \$99 dinner multiple times but never report it.

“The good news is that Sen. [Daniel] Ivey-Soto has a bill this year that would fix that,” Harrison said, adding that Gov. Susana Martinez has given Senate Bill 67 a “message” — which means it can be heard in this primarily fiscal session.

Among the biggest spenders so far, reports show, are energy companies.

Louisiana Energy Services, which has a uranium enrichment plant in Eunice, spent \$5,061 in January to bring lunch from Cowgirl BBQ to legislators and staff at the state Capitol.

The next day, Claire Chase, lobbyist for Mack Energy and president of the Independent Petroleum Association of New Mexico, spent \$1,725 on a meal at Restaurant Martín for Republican House

members. The guests listed were Reps. Candy Spence Ezzell, Greg Nibert and Bob Wooley of Roswell; Rod Montoya and James Strickler of Farmington; Cathrynn Brown of Carlsbad; David Gallegos of Eunice; Larry Scott of Hobbs; and James Townsend of Artesia.

And on Jan. 19, Carol Leach, lobbyist for Concho Resources, spent \$759 at Maize restaurant for what she called an “oil and gas discussion.” Her guests included Reps. Townsend and Larry Larrañaga, R-Albuquerque, and their wives; Rep. Scott and his sister, Rep. Jimmie Hall, R-Albuquerque, and “two others.”

Chase and Leach are the only lobbyists so far this year who listed individual lawmakers in their reports.

“I don’t know why lobbyists spend so much money on a small handful of legislators,” Harrison said. “It also boggles my mind that a lobbyist can spend \$1,700 on a dinner for a small group. This is Santa Fe, not Dubai.”

Jim Winchester, executive director of the Independent Petroleum Association, responded to the criticism in a written statement, saying his organization “sponsored an appreciation dinner for 14 legislators and their spouses at Restaurant Martín, one of Santa Fe’s most prominent and critically-acclaimed establishments. Oil and gas producers proudly supported Santa Fe schools with nearly \$48 million in funding last year, and we’re also proud to support Santa Fe’s restaurants, hotel, and local economy.”

As is frequently the case with lobbyist expense reports, another category of spenders include lobbyists representing state-funded schools.

Scott Smart, vice president for business affairs at Eastern New Mexico University, reported spending \$10,690 for a “meet and greet” for legislators at the Inn at Loretto on Jan. 17. The Portales college almost always throws some kind of event during a legislative session.

Meanwhile, Natasha Ning, lobbyist for New Mexico Military Institute, reported spending \$3,793 on a breakfast for lawmakers Jan. 23 at the Inn at Loretto.

“We do this every year, some kind of a reception,” Ning said in an interview Monday. “This year we did a breakfast.” All legislators were invited, she said.

Asked what the school gets out of hosting such events, Ning, who has a dozen lobbying clients this year, said it’s a good way to make a presentation on the needs of the military school and what projects they’re working on to several legislators at the same time. “I’ll still be talking to legislators every day, but this is a good way to reach a lot of them,” she said.

One thing she talked about at the breakfast this year was the school’s effort to create a scholarship fund named for the late Santa Fe legislator Luciano “Lucky” Varela. House Bill 68, which recently received a positive recommendation from the House Education Committee, would allow the school to transfer \$500,000 from its budget balances to the new scholarship fund, which would be spent on students from New Mexico.

The largest expense so far by lobbyists is \$27,250 in ski passes from George Brooks, director of Ski New Mexico, an association that represents eight ski resorts. The passes are valued at \$250 each, which is the legal limit under the state Gift Act that regulates the amount of gifts lobbyists can bestow on lawmakers. Tom Horan, a lobbyist for the organization, said each pass is good for two free days of skiing at any of the ski areas in the state. The passes are good for the current season, Horan said.

While this gift might seem extravagant, because of the lack of snow this year, the passes aren’t as valuable as in past years, as ski areas around the state have had to close many ski trails.

At least three legislators declined the gift from Ski New Mexico. In the past, Reps. Bill McCamley, D-Mesilla Park, and Jim Dines, R-Albuquerque, have refused the passes. Horan wasn’t sure who the third one was.

Not all lobbyist expenses involve fancy meals, late-night drinks or ski passes.

One lobbyist, Mary Jessa Bunker of Catholic Health Initiatives St. Joseph’s Children, spent \$3,329 on ads in two newspapers — *The New Mexican* and the *Las Cruces Sun-News* — to thank lawmakers for voting for House Joint Resolution 1 last year. That measure called for a constitutional amendment that would

have taken an extra 1 percent of interest earnings from New Mexico's \$20 billion Land Grant Permanent Fund to help pay for early childhood education. The legislation cleared the House last year but died in the Senate. A similar resolution has been introduced this year.

During a legislative session, lobbyists are required to report to the Secretary of State's Office expenditures larger than \$500 within 48 hours of the spending.

Typically, lobbyists spend their clients' or employers' money, not their own, on events, meals, gifts and campaign contributions

**AL.com**  
**January 27, 2018**

#### **AG's office investigating lawmakers' campaign accounts**

[http://www.al.com/opinion/index.ssf/2018/01/ags\\_office\\_investigating\\_lawma.html](http://www.al.com/opinion/index.ssf/2018/01/ags_office_investigating_lawma.html)

Certainly at one point both men believed they could spend their campaign funds as they wanted without fear of being caught. Or so they thought.

When state Rep. Oliver Robinson pleaded guilty last year to federal corruption charges, he copped to more than taking bribes from lobbyists. Among the crimes he admitted was using campaign funds to pay personal expenses, including \$2,024 he spent at Saks Fifth Avenue and \$400 at Victoria's Secret.

Likewise, when state Rep. Micky Hammon pleaded guilty to mail fraud last year, he too admitted to transferring campaign funds to his personal bank account -- money he later used to fund a failed private business venture in Hoover. Federal prosecutors have said that Hammon converted more than \$50,000 of campaign funds for his personal use.

But if you looked at either of these men's campaign accounts there was never any evidence there of suspicious transactions. Not a clue.

While state law requires Alabama politicians to disclose campaign expenditures and itemize any greater than \$100, the state has no mechanism to ensure what lawmakers report is accurate.

That is, maybe, until now.

The Alabama Attorney General's office has been investigating lawmaker campaign spending since at least the fall of 2017 and this week current and former Alabama lawmakers received a flood of subpoenas. Those subpoenas ask the officials to produce supporting documentation showing their campaign finance reports are accurate.

The Attorney General's office has a standing policy of not commenting on ongoing investigations, and the grand jury secrecy act prohibits witnesses and other officials from disclosing what goes on behind grand jury door. However, on Thursday, Alabama Secretary of State John Merrill confirmed that his office has been assisting a state investigation of lawmakers' campaign accounts.

"They have contacted us over a period of months for information to help them in an investigation of expenditures they wanted more information on," Merrill said.

According to Merrill, his office did not initiate the investigation, although it has reported other candidates and elected officials in the past for filing late or incomplete campaign finance reports.

"We did not initiate any of this," he said. "It's not part of our normal review process."

Likewise, the Alabama Ethics Commission has not referred any officials to the Attorney General's office for prosecution.

Merrill said that much of the information investigators from the special prosecutions division, led by Deputy Attorney General Matt Hart, requested was available through his office's online database.

"It appears that they are interested in expenditures that are not delineated," he said.

According to Merrill investigators asked for information related to current and former officials.

Under Alabama law, candidates must report all expenditures, and they must itemize expenditures greater than \$100. However, a review of the state's campaign finance database shows that many officials don't itemize all expenses greater than \$100, while others report payments to their credit card bills without disclosing what those credit cards were used to pay for.

The credit card dodge has been a longstanding problem, Merrill said.

After I wrote about this gap in campaign disclosures in 2016, he said, his office changed the state's reporting system and put candidates on notice that they must itemize those payments.

"We saw that as a glaring weakness in the system," he said.

Under Alabama law, officials may use excess campaign funds for expenses related to their duties, donations to charitable organizations, or transfers to the Alabama General Fund.

In 2016, the Alabama Ethics Commission gave further guidance to public officials, outlining what sorts of costs might be reasonably related to their duties and which are not.

Using campaign funds to pay personal expenses unrelated to an office is a Class B felony punishable by two to 20 years in prison. The statute of limitations is four years.

Hammon wasn't afraid of being caught, nor was Robinson, until the feds came knocking on his door. Neither thought anyone was looking, and for a time, they were right.

But now someone is looking, and in Montgomery this week, that false confidence suddenly is gone.

And in its place is fear.