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## Weekly Lobbying Articles

February 8, 2018

The New York Times

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### Drug Industry Wages Opioid Fight Using an Anti-Addiction Ally

<https://www.nytimes.com/2018/02/08/business/opioids-addiction-pharma.html>

As Minnesota lawmakers prepared to push a proposed tax on opioid sales in November, the pharmaceutical industry lobbyists who opposed the bill set up a meeting with its sponsors, and they brought an unusual guest: Jessica Hulsey Nickel, a prominent anti-addiction advocate in Washington.

Ms. Nickel told the lawmakers that she took no position on the tax and was simply offering her group's resources to help fight the state's drug epidemic. But her presence along with five representatives from the industry's trade group raised eyebrows among the Minnesota lawmakers, who believed that drug companies needed to be held accountable for the prescription opioid crisis — not embraced as an ally.

"She was insisting that she was totally independent and they hadn't put any strings on her," said State Senator Chris Eaton, one of the bill's sponsors. "I wasn't buying it."

Two weeks later, Ms. Nickel's ties to the industry grew even deeper when her advocacy group, the Addiction Policy Forum, announced in mid-December that it had accepted funding from the trade group, the Pharmaceutical Research and Manufacturers of America, known as PhRMA.

While she is open — and unapologetic — about accepting money from the pharmaceutical group, Ms. Nickel declined to disclose exactly how much PhRMA had donated to her group. "It is our preference to talk about the patients and the families and not focus on the numbers," she said.

Stephen J. Ubl, the trade group's chief executive, said in an interview that it was in the "tens of millions," over multiple years, a heady influx of cash for a nonprofit group whose annual donations and grants totaled \$4.7 million last year.

Ms. Nickel insisted that her group was not beholden to PhRMA in any way. The drug industry, she said, should be viewed as a partner in fighting addiction, not an adversary. She said the funding would help her group provide vital services like an online resource center for patients struggling with addiction and training for doctors treating overdoses.

Still, PhRMA's donation to Ms. Nickel's group is roiling the anti-addiction world — where there are varying approaches to the drug problem and a fight over scarce sources of funding.

“You cannot hold an organization accountable if issues in Minnesota. Ms. Holtum said she respected Ms. Nickel’s intentions but worried about the risks of teaming up with an industry with a self-serving agenda.

The partnership with Ms. Nickel also sheds light on the industry’s efforts to shape the perception of its role in the nation’s burgeoning opioid epidemic, which President Trump has called a “national health emergency.” By enlisting a prominent advocate as a partner, PhRMA is trying to position the industry on the right side of a health crisis that many blame it for creating.

The drug industry is a formidable force in state and federal politics, investing hundreds of millions of dollars a year in lobbyists, campaign donations and public relations campaigns. In 2017, PhRMA spent close to \$26 million on lobbying at the federal level, hiring 169 federal lobbyists to work on its behalf, according to the Center for Responsive Politics.

Its donation to the Addiction Policy Forum was the centerpiece of what PhRMA described in December as a “major commitment” to addressing the opioid crisis. It unveiled a set of policy proposals that include supporting seven-day limits on opioid prescriptions for acute pain, and announced a partnership with the federal government on initiatives to battle addiction.

“We feel very strongly about trying to do our part,” Mr. Ubl said.

At the same time, drugmakers are fighting to protect their profits in the face of measures such as the proposed tax in Minnesota. Gross sales of narcotic painkillers totaled \$8.6 billion in 2016, according to IQVIA, a health care analytics company.

Activists and lawmakers, however, are stepping up their pressure on the industry. Last month, Gov. Andrew M. Cuomo proposed a similar tax in New York. At least six other states have considered an opioid tax over the past year, according to the National Conference of State Legislatures. Dozens of cities and counties have sued opioid manufacturers and distributors, mirroring the legal strategy that extracted billions from the tobacco companies to offset health-associated costs from smoking.

This week, Senator Bernie Sanders of Vermont called for pharmaceutical executives to testify before Congress about what they knew of the addictive properties of prescription opioids.

Lexi Reed Holtum, an anti-addiction advocate in Minnesota, said she respected Ms. Nickel’s intentions but worried about the risks of teaming up with an industry with a self-serving agenda.

The industry says much of the current problem is being driven by illicit use of street drugs like heroin, and not prescription drugs. Some advocates are skeptical of the industry’s motives.

“The industry is making investments, trying to influence policymakers that this is not a problem of overprescribing opioids,” said Dr. Andrew Kolodny, a co-director of opioid policy research at the Heller School for Social Policy and Management at Brandeis University. “They are investing in nonprofit groups that will do the same.”

In Ms. Nickel, the pharmaceutical industry has found an advocate who combines firsthand knowledge about addiction with Beltway policy savvy.

Growing up in Southern California, Ms. Nickel was the child of parents who struggled with drug addiction, she said. She escaped that world, got into Princeton and then entered public service. She went to work with Barry McCaffrey, the director of the Office of National Drug Control Policy under

President Bill Clinton, and later served as a legislative aide to Senator Rob Portman, an Ohio Republican, while he was in the House.

Ms. Nickel also started her own lobbying firm, whose clients included nonprofit groups and Alkermes, a drug company that makes a medication that helps treat opioid addiction.

The impetus for her nonprofit group, which has about 30 employees, was to empower families that are losing loved ones to opioids, Ms. Nickel said.

She said her \$4.7 million in funding last year had come from a “diverse set of foundations, federal grants, corporate sponsors and individual donors,” including PhRMA and the Department of Health and Human Services. In 2016, the group’s funding totaled \$573,000.

“No one has cured a disease by making an enemy of the white lab coats,” Ms. Nickel said in an interview. “Sometimes our resistance to working with new partners is an old way of thinking.”

A high school graduation photo of Ms. Eaton’s daughter, Ariel Eaton-Willson, who died in 2007 at age 23.

Her group includes a network of thousands of families around the country. Doug Griffin, who lost his daughter to an overdose and now volunteers for the Addiction Policy Forum in New Hampshire, said he welcomed the donation from PhRMA.

“If someone asks me, ‘Are you mad at pharma for your daughter’s death?’ I tell them no,” Mr. Griffin said. “These kids had free rein of our medicine cabinets.”

In Minnesota, Ms. Eaton and a fellow state lawmaker, State Representative Dave Baker, see things differently. Like Mr. Griffin, they each lost a child to fatal overdoses, but they want the industry to pay for what they view as its role in the addiction crisis.

Their tax proposal would have raised about \$20 million for addiction programs in Minnesota, but the measure faced stiff opposition from the pharmaceutical industry. Some state legislators said they felt “bullied” by pharmaceutical lobbyists to oppose the bill, according to Senator Tina Smith, the former Minnesota lieutenant governor who replaced Al Franken.

In late November, PhRMA set up the meeting with the bill’s sponsors as a sort of olive branch. But Ms. Eaton and Mr. Baker said they viewed Ms. Nickel’s presence as part of the industry’s effort to dissuade them.

Ms. Nickel said she had not read the bill and had no intention of killing it. “I walked into a meeting maybe I didn’t belong in not to talk about taxes but to talk about building resources for families in crisis in Minnesota,” she said.

Ms. Nickel said she had moved ahead with establishing programs in Minnesota, regardless of whether the two state lawmakers decide to join her efforts.

Mr. Baker described Ms. Nickel’s intentions as “true and honest and good,” but said PhRMA’s decision to highlight and support her work in Minnesota struck him as too much of a coincidence.

“Sure, I’ve got my guard up,” he said. “Why weren’t they here 10 years ago?”

**Government Technology**  
**February 6, 2018**

**Louisiana Lobbyists, Business Groups Push State to Launch Budget Transparency Website**

<http://www.govtech.com/budget-finance/Louisiana-Lobbyists-Business-Groups-Push-State-to-Launch-Budget-Transparency-Website.html>

Louisiana business groups want state government to create a website they say would give residents a clearer picture of how taxpayers' money is spent.

Supporters say LouisianaCheckbook.com would make state and, eventually, local governments more accountable to voters and taxpayers.

The proposal comes as the legislature prepares to address an estimated \$1 billion budget shortfall in either a special session later this month or during a regular session that begins March 12.

"If the legislature listens to the people and makes LouisianaCheckbook.com a reality, citizens will have access to information about every dollar spent by government in Louisiana, so they'll have a meaningful way to hold elected officials accountable to how their tax dollars are used," Daniel Erspamer, CEO of the Pelican Institute for Public Policy, a conservative think tank based in New Orleans, said in a news release announcing the push Monday.

It's among more than two dozen business groups and conservative political advocacy organizations supporting such a website, patterned after OhioCheckbook.com. They include the Louisiana Association of Business and Industry, Louisiana Mid-Continent Oil and Gas Association, Louisiana Chemical Association and Louisiana Home Builders Association.

GOP lawmakers, including House Speaker Taylor Barras, are also pushing for the move.

Advocates say the site would be more user-friendly and provide greater detail than the state's LaTrac website, created years ago to serve a similar purpose. They have launched LouisianaCheckbook.com with information about their drive, along with a petition organizers can sign in support.

The Ohio website cost nearly \$1 million to build and costs another \$1 million a year to operate, according to media reports.

Gov. John Bel Edwards' administration has also noted in budget documents that upgrading state computer systems to make them compatible would be necessary to provide the detailed information available on the Ohio website. That could cost an estimated \$26 million more and take three years to complete.

But supporters say the site would help curb state spending.

"Louisiana state government spends more each year, yet we as Louisianans continue to see the same challenges we have faced for generations," said Stephen Waguespack, Louisiana Association of Business and Industry president and CEO. "It is time to let taxpayers see exactly where their tax dollars are being spent at all levels of government. The infusion of transparency provided by the implementation of LouisianaCheckbook.com is a reform that should appeal to everyone and break through the partisan fighting we see too often today."

**SF Gate**  
**February 5, 2018**

**Political veteran fines \$32,500 by ethics watchdog for unregistered lobbying**

<https://www.sfgate.com/politics/article/Lobbyist-who-failed-to-register-faces-32K-fine-12553241.php>

Susan Kennedy has had many titles over the years as a political heavyweight in the state — chief of staff to Gov. Arnold Schwarzenegger, deputy chief of staff to Gov. Gray Davis and a commissioner at the California Public Utilities Commission, to name a few. But one title she did not disclose has her facing a hefty fine from the state campaign finance watchdog.

Kennedy failed to register as a lobbyist from 2012 and 2014, despite high-paying contracts with Lyft and Southern California's San Gabriel Valley Water Co., according to an investigation by the Fair Political Practices Commission.

The commission found that Kennedy and her company, Susan P. Kennedy Inc., violated eight counts of the state's Political Reform Act, and it proposed a \$32,500 fine that Kennedy has agreed to pay, according to a copy of the settlement agreement released Monday by the commission.

The commission's five-member board must agree to the settlement before it can be finalized.

Lyft and the San Gabriel Valley Water Co. paid Kennedy more than \$200,000 combined to lobby the Public Utilities Commission, according to the settlement. Kennedy herself was a governor-appointed member of the utilities commission from 2003 to 2006.

Kennedy began working as a consultant for Lyft in 2012 on a \$15,000-per-month contract. At that time, ride-sharing companies like Lyft, Uber and Sidecar were facing scrutiny from the Public Utilities Commission for operating without permits.

After being retained by Lyft, Kennedy contacted the utilities commission's then president, Michael Peevey, and then-executive director, Paul Clanon, to "influence the nature of the rules and regulations" being considered by the agency, according to the settlement.

Kennedy's efforts, the settlement notes, were successful, resulting in rules and regulations mirroring what Kennedy had suggested.

The San Gabriel Valley Water Co., an investor-owned-utility water company regulated by the utilities commission, retained Kennedy in 2013 on a \$25,000-per-month contract. At that time, the water company was trying to get the utilities commission to approve a rate increase from customers in the San Bernardino County city of Fontana.

The settlement said Kennedy met with Peevey and then-Commissioner Michael Picker, who is now president of the commission. During the meetings and in emails later, Kennedy lobbied the commission to approve the rate increase, according to the settlement. The rate increase was initially denied in May 2014, but a modified increase was approved in November 2015.

As part of the settlement, Kennedy admitted that the contacts she had with the utilities commission on behalf of Lyft and the water agency qualified as lobbying. She has since registered as a lobbyist.

Kennedy told investigators that she no longer works as a paid consultant and “does not intend to resume such work.”

“Ms. Kennedy moved immediately once the discrepancy was identified to provide the necessary information requested by the FPPC,” said James Harrison, a spokesman for Kennedy. “Integrity and character are hallmark principles in how Ms. Kennedy conducts herself in business, which is why she is acting swiftly and looks forward to its resolution.”

**The Texas Tribune**  
**February 5, 2018**

**State Rep. Poncho Nevárez fines \$15,000 for campaign finance report violations**

<https://www.texastribune.org/2018/02/05/state-rep-poncho-nevarez-fined-15000-campaign-finance-report-violation/>

State Rep. Poncho Nevárez has been slapped with a \$15,000 fine for violating several campaign finance statutes in reports ranging over a period of years.

The Texas Ethics Commission levied the penalty to resolve complaints alleging that Nevárez:

- accepted political contributions from corporations and labor organizations,
- misreported either the total amount of political contributions maintained or failed to report some political contributions and expenditures,
- did not properly disclose political contributions, loans and political expenditures,
- failed to disclose employment details for multiple contributors and
- made improper personal reimbursements.

These violations were made in four campaign finance reports that the Eagle Pass Democrat filed to the commission between January 2013 and January 2015, according to the commission’s order, which was released Monday.

Nevárez told The Texas Tribune on Monday that the violations were the result of sloppiness, not ill will. But he accepted responsibility for the infractions.

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"There's nothing nefarious about it," he said. "It was unintentional. We didn't do it to mislead anybody."

Nevárez added that his campaign has worked to overhaul its record-keeping system. Campaign staffers will now photocopy all checks and be more diligent in collecting donor information.

The commission found that in the four reports at issue, there was often a discrepancy between the total political contributions maintained and the campaign’s bank account balance. This difference was at times greater than \$18,000.

Nevárez also failed to document \$94,124.92 of political expenditures and \$111,423.10 of political contributions and loans of personal funds. Those figures appeared in bank records but not were not documented in his campaign finance reports.

Nevárez blamed those omissions on “incomplete recordkeeping and inadequate communication with campaign staff,” according to the TEC report. The representative also told the commission that “appropriate safeguards” have been put in place to ensure accurate reporting in future.

Other charges were less serious. For example, Nevárez failed to disclose the full name for certain donors, writing "NCHA" instead of "NCHA Texas Events PAC" for one contributor and writing “MALC” instead of "Mexican American Legislative Caucus" for one payee. Nevárez also failed to report the addresses for dozens of payees — an “oversight by his campaign,” he said.

**Miami Herald**  
**February 1, 2018**

### **Lobbyist accuses legislator of retaliation over his role in sexual harassment case**

<http://www.miamiherald.com/news/politics-government/state-politics/article197950269.html>

Should Ron Book, the mega lobbyist and lawyer who represented the sexual harassment victim whose testimony led to the resignation of Sen. Jack Latvala, be banned from lobbying the Legislature?

That was the effect of the amendment before the House Public Integrity and Ethics Committee Thursday on a bill that would impose broad, new penalties for sexual harassment. The committee voted no, but the bill became a vehicle for a disgruntled lawmaker, Rep. Kathleen Peters, R-Treasure Island, to air her grievances.

Peters, whose running feud with House Speaker Richard Corcoran cost her a committee chairmanship, filed the amendment to HB 7007 that would prohibit family members of legislators from lobbying the Legislature.

The relationship is a “direct conflict of interest,” Peters told the committee. “If you are a member of the Legislature, you are held to a standard that is higher than most.” It is unethical, she argued, to have a relative who “is a prominent lobbyist and that lobbyist has the ability to raise money to get other members of the Legislature elected.”

Peters, a Latvala ally, didn’t mention the former Clearwater senator who resigned after a Senate report found probable cause that he had sexually harassed a Senate aide. She didn’t have to.

“This Jack Latvala-proposed amendment is geared at one person,” said Book as he stood before the committee. His daughter, Lauren Book, is a state senator from Plantation.

“He’s right here with a target on his chest,” he said, dramatically drawing an imaginary circle on his chest.

Then, raising his voice, he added: “There’s a target and the target is called retaliatory conduct. Retaliatory conduct because I was willing to step forward and represent several women involved in the Latvala investigation.”

Book is the lawyer for Laura McLeod, the former lobbyist who was subpoenaed by the judge conducting the Senate investigation of Latvala. He also represented two other lobbyists who agreed to testify as part of the probe.

Peters, who has announced she is running for a seat on the Pinellas County Commission in 2018, said she “takes exception” to Book’s claim the amendment was Latvala’s idea.

“Sen. Latvala is not in the Legislature anymore,” she said, adding that she proposed the idea last year after Corcoran spoke to members on the floor of the House during the so-called “whiskey and Wheaties” debate.

That bill to allow big box grocers to sell liquor passed the House and Senate but was vetoed by the governor. Corcoran’s brother was a lobbyist for Wal-Mart, which supported the bill, and Peters and others said they believed the speaker attempted to pressure members to support it. Corcoran denied it.

Several members of the committee criticized the amendment as too broad and that it could potentially undermine the citizen legislature.

Rep. Jason Brodeur, a Seminole County Republican whose wife is Department of Juvenile Justice Secretary Christina K. Daly, said he met his wife while serving in the Legislature, and she is a registered lobbyist for her agency. If Peters’ amendment was law, he said, “my wife may not be my wife.”

“You are changing public policy for 20 million people for an incident that affects two individuals,” Brodeur said. By that logic, he suggested, the state should prohibit people from becoming police officers because they have had a family member in jail.

But Peters rejected that analogy and wouldn’t back down. She said her amendment — which she also filed before session as a bill — “may not have gone far enough.” She said she would have preferred if it also banned a lobbyist from seeking an appropriation for an organization on which the lobbyist is a board member, or if the “family member happens to be a CEO” of the same organization.

The reference was to Lauren Book, founder and director of Lauren’s Kids, a non-profit whose mission is to raise awareness about child sexual abuse. The organization has received more than \$10 million in state funds for its educational and instructional programs and both Ron Book and his daughter serve on the board of directors.

In the end, Peters was the only vote in support of the amendment. Rep. Tom Leek, an Ormond Beach Republican, called the amendment an attempt at “political gymnastics.” The bill’s sponsor, Rep. Jennifer Sullivan, R-Mount Dora, said the amendment was “taking away from what we are trying to do to end sexual harassment here.”

Sullivan and House leaders had engaged in some creative maneuvering to get the new sexual harassment rules added to the House ethics bill. That bill, HB 7007 had already passed the full chamber on the first week of session so House leaders pulled Sullivan’s bill back into committee and grafted the new sexual harassment language onto it.

In addition to making sexual harassment a violation of state law, enforceable by the Florida Commission on Ethics, the bill prohibits false reporting and retaliation, requires agencies to make victim advocates available to victims, mandates sexual harassment training of all state and legislative employees, and requires agencies to adopt policies restricting consensual dating relationships between a supervisor and a subordinate.

The original bill includes imposing a six-year ban on retired legislators returning to lobby the Legislature, and attempts to end the revolving door between industry and regulators by prohibiting legislators and agency heads from soliciting contracts for employment with the very people they regulate.

The committee also rejected a second Peters amendment that would have banned legislators from working for law firms that lobby the legislature.

Sullivan raised questions about the timing of the proposals, noting that Peters did not offer them when the bill originally came before the committee — before Latvala resigned.

Book, the senator, said she was disappointed by the drama in the House.

“Retaliation goes both ways,” she said. “We’re working really hard to create a product in the Senate that works to address the culture issue that we all know exists here and that honors the journey of individuals who have been victimized. I’m not going to let small roadblocks or barbs deter us or distract us.”