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Clean Missouri could come before voters again

A Missouri House committee heard testimony Wednesday on a trio of proposals that would change or completely repeal Constitutional Amendment 1--the Clean Missouri amendment--which voters passed in November.

Opponents say lawmakers are trying to undo the will of the people while supporters say voters might not have fully understand what they approved.

“I actually pose before the people that they would consider some of the unintended consequences of their actions when it came to the Clean Missouri,” said Rep. Jeff Pogue, R-Salem, the sponsor of the full repeal.

Amendment 1, which 62 percent of voters approved, bars most lobbyist gifts to lawmakers, requires legislators to wait two years after leaving the General Assembly before becoming lobbyists, requires legislative records to be public, lowers campaign contribution limits to state legislative candidates and changes how legislative districts are drawn.

Pogue’s proposal would eliminate Clean Missouri in its entirety. The other proposals heard by the committee Wednesday would prohibit all lobbyist gifts to lawmakers and change Amendment 1’s redistricting provisions. All three proposals would require voter approval before taking effect.

Nimrod Chapel, president of the Missouri State Conference of the NAACP, said lawmakers shouldn’t “undo the will of the people.”

“The people read it. Okay? They picked what they wanted, and they voted for it,” he said.

But Pogue said Amendment 1 empowers “the unelected bureaucracy and it also, we are losing the privacy and the confidence of our constituents.”

Martha Brownlee-Duffeck, a member of Missouri Faith Voices, attended Wednesday’s hearing. She said she knocked on doors and encouraged people to vote for Amendment 1.

“Give Clean Missouri a chance the way it was written and the way it was voted for by 62 percent of the population,” she said of her message to lawmakers.

The proposals heard in committee Wednesday are just some of the changes to Clean Missouri lawmakers are discussing.

One proposal, for example, would restrict access to public records.

The legislation heard Wednesday requires a committee vote before advancing.

Opioid maker Mallinckrodt to support lobbying disclosure

Mallinckrodt Plc, a major manufacturer of generic opioids, is backing an investor's request it disclose its lobbying spending and plans to issue a report, according to a shareholder coalition pressing drug companies to improve oversight in light of the opioid epidemic and confirmed by the company's proxy statement released Wednesday.

The Staines-upon-Thames, England-based company told members of Investors for Opioid Accountability, who together manage \$3.4 trillion in assets, it would recommend stockholders vote in favor of the group's lobbying disclosure proposal, said co-leader Donna Meyer and Katie McCloskey, director of social responsibility for IOA member United Church Funds, lead filer of the request.

"The company is making an important step," McCloskey said. "They're willing to be on the record with it, and I think that's something to be applauded for. We're just going to monitor it and see how they do."

A spokesman for Mallinckrodt didn't return a call seeking comment.

In the proxy filing, the company explained its intentions.

"Mallinckrodt has significant efforts already under way to put together a 'Political Engagement Report' similar in significant respects to the report requested by the shareholder proposal. This report will disclose, among other things, our policies and procedures governing political contributions, the decision making process and oversight by management and the Board of Directors in respect of any political contributions Mallinckrodt makes, the amount of political contributions made by Mallinckrodt and the MNK Political Action Committee, and other related matters, such as certain disclosures with respect to our federal and state lobbying, trade association memberships and political engagements outside of the United States. We are committed to publicly issuing the first edition of this report later in 2019, which will address our activities for the fiscal year 2018. We intend to update this report on an annual basis going forward and expect that it will expand in scope over time," the filing stated.

Telling shareholders to support a stockholder proposal is an action corporate leaders rarely take and that nearly guarantees the measure will win majority approval. If they intend to satisfy an investor request, companies more often strike a deal to avoid a vote.

Mallinckrodt makes generic opioid drugs, a business it's planning to soon separate into its own public company and that was the subject of a federal investigation. The company agreed to a \$35 million settlement in 2017 related to claims it violated federal law by failing to report suspicious opioid orders and misreporting the number of pills per batch at a facility, the Justice Department said in a statement.

The company's lobbying has come under scrutiny as well. Mallinckrodt's spending to lobby Congress surged in recent years as the business faced the federal investigation related to pain pill sales and a congressional inquiry into drug pricing. Competitors' lobbying contributions similar climbed, The New York Times reported in 2017.

Mallinckrodt LLC spent \$1.62 million lobbying Congress during the four quarters of 2018, according to federal lobbying filings. It reported no activity but spent \$570,000 in the final quarter as the year wound down. Issues lobbyists worked on included opioid abuse and alternatives, Medicare and opioids and "DEA modernization," according to filings for the first three quarters, which don't detail spending by topic.

Mallinckrodt makes generic oxycodone, hydrocodone and combination acetaminophen and codeine pills, as well as morphine and fentanyl products. It also sells generic addiction treatments methadone and buprenorphine, as well as overdose-reversing naloxone. Its branded drugs include multiple sclerosis treatment H.P. Acthar Gel, which attracted criticism for its soaring price.

Mallinckrodt's commitment is the latest success for IOA, which began a public campaign in 2017 to get drug companies to take greater accountability for the U.S. opioid crisis and improve internal oversight and controls to help assuage the epidemic and mitigate related business risk. Still, the company is opposing an IOA proposal for a report on board oversight of opioid sales and another related to policy for recouping executive pay, Meyer and McCloskey said.

Meyer said Mallinckrodt's decision on the lobbying request takes some pressure off the company while it is still opposing two other IOA-backed proposals. The group still wants significantly more disclosure from Mallinckrodt, she said.

IOA's novel shareholder proposal, which seeks opioid business oversight report, won majority backing including at Rite Aid Corp. and Walgreens Boots Alliance Inc., two of the largest U.S. pharmacy chains. The country's three biggest drug distributors and several painkiller manufacturers, including Percocet maker Endo International Plc, agreed to release reports under IOA pressure.

IOA members also submit other, more traditional shareholder proposals — including for lobbying disclosure and policy changes related to recouping executive pay — that cite the opioid crisis. McCloskey said the proposal at Mallinckrodt asks for an annual report of direct and indirect lobbying policies and payments at the local, state and federal levels, membership in tax-exempt organizations that write or endorse legislation and descriptions of board and management oversight of this spending.

McCloskey expects Mallinckrodt's support of lobbying disclosure will buoy the coalition's efforts at other companies.

While Mallinckrodt reports spending on its federal lobbying efforts, the company can donate to trade associations and certain tax exempt groups that do not have to disclose their spending to influence lawmaking and government actions, which can include patient advocacy organizations. McCloskey said Mallinckrodt intends to release a report that excludes lobbying through these patient groups but will consider revealing those payments in future disclosure. She emphasized the importance of companies tracking and understanding payments to these organizations.

“Either they're acting in accordance with your stated public health goals or you don't know what they're lobbying on in which case you shouldn't be giving money to them,” McCloskey said.

A Kaiser Health News database tracked \$162.6 million in donations from 26 pharmaceutical companies to 650 patient advocacy groups. For example, KHN found \$195,000 of drug company payments in 2015 to the American Chronic Pain Association, which was among groups that urged against “one-size-fits-all” dosage and prescription duration restrictions in a March letter to Health and Human Services Secretary Alex Azar. Mallinckrodt isn't included in the database.

The company held its last meeting on May 16. No shareholder proposals were up for a vote. An IOA member withdrew a request on opioid business oversight after the company revealed its

intention to “dispose of” its generics business, which includes most of its opioid products, according to a U.S. Securities and Exchange Commission document.

Mallinckrodt’s stock price climbed 52 percent in the past 12 months as the New York Stock Exchange Composite rose 2.7 percent. The company became publicly traded in 2013, and its stock hit its highest peak in 2015. Its share price steadily declined since. Net sales slipped 0.2 percent to \$3.2 billion in the fiscal year that ended Dec. 28. Mallinckrodt lost \$3.6 billion after making a \$2.1 billion profit the previous fiscal year.

The company, which has its U.S. headquarters in St. Louis, is planning to spin off its specialty generics business by the end of the year. That unit includes most of its opioid painkillers.

[Georgia General Assembly reinstates disclosures of pre-session contributions](#)

The Georgia Senate gave final approval Friday to legislation maintaining the January reporting of the tens of thousands of dollars in donations many of them collect from lobbyists and special interests just before the legislative session.

The state Senate earlier this month approved legislation [that would have eliminated a key Jan. 31 reporting of pre-session campaign contributions during years](#) in which there aren't regularly scheduled elections, such as this year. Currently, those reports, which generally become public in early February, let the public know who gave what in the days leading up to the session.

Most of that money comes from lobbyists and special-interest groups wanting tax breaks, funding or other legislation.

[The House removed that change in Senate Bill 213.](#) It was sponsored by [state Sen. Bill Heath, R-Bremen](#), who told a House committee Wednesday, "I hate to admit I ever make a mistake, but I reluctantly confess and admit to it."

The Senate approved the House version of the bill Friday evening, sending it to the governor for his signature.

The Jan. 31 report is important because for years, lawmakers and their caucus PACs have scheduled fundraisers the week before each session, a time when lobbyists and various groups are preparing to push or fight legislation.

The Atlanta Journal-Constitution [reported earlier this month that statewide elected officials, lawmakers, their caucus PACs and the major state parties collected about \\$1.5 million in the two weeks before the start of the session](#), some taking in checks less than 24 hours before the General Assembly was gaveled in for a new session.

Senate Bill 213 was pushed by the state ethics commission, formally known as the Georgia Government Transparency & Campaign Finance Commission, as a way to clear up confusion in reporting requirements and fix a loophole in the law that allows some PACS -- funds generally created to support certain businesses or political interests--to avoid having to disclose what they spend.

Agency officials said they'd seen problems with local officials not filing the reports for the Jan. 1-31 fundraising period because they didn't know it was required. The reports were instituted in 2014 specifically to make sure the pre-session fundraising by lawmakers was reported while the session was going on.

While lobbyists can buy lawmakers lunch or dinner during the session, they can't donate to their campaigns. So the early January fundraisers are the last chance lobbyists have to show legislators some campaign love before they start voting on bills.

As is the case every year, many of the biggest donors have big-ticket legislation before the General Assembly.

Several of the top donors this year were involved in the annual fight over the state's certificate of need law. Right now a private business that wants to open a hospital or expand a health care operation must obtain a certificate from the state declaring that the service is really needed.

The most prominent supporter of changing the law, Cancer Treatment Centers of America, which wants to expand its business in Georgia, contributed about \$70,000 in the weeks leading up to the session. That included \$25,000 to the Georgia House Republican Trust -- the chamber's leadership PAC -- and \$2,600 each to House Speaker David Ralston, R-Blue Ridge, House Speaker Pro Tem Jan Jones, R-Milton, House Majority Leader Jon Burns, R-Newington, and Senate President Pro Tem Butch Miller, R-Gainesville.

Two of the leading opponents of the bill, the Georgia Hospital Association and the Georgia Alliance of Community Hospitals, gave about \$50,000 and \$20,000, respectively, to state officials and lawmakers in the same period, often to the same people as CTCA. The Georgia Hospital Association also contributed \$25,000 to Gov. Brian Kemp's inaugural committee.

[A CON bill gained final passage Friday](#), but only started moving the day Kemp threatened to take "executive action" if the hospital deregulation measure failed.

Delta Air Lines' PAC gave about \$15,000, spreading the money to about two-dozen lawmakers, including House and Senate leaders. Delta won approval in the House for a 20-year suspension of the state tax on jet fuel, which is expected to save airlines \$35 million to \$40 million a year. The measure has Kemp's backing but was turned into a tax hike on Delta in the Senate and is still pending.

Auto dealers are traditionally among the biggest donors to state candidates, and the lobby for new-car dealers contributed more than \$55,000 to state officials in the first two weeks of January, including \$6,600, each, to Kemp and Lt. Gov. Geoff Duncan. The lobby backed a bill to lower the tax rate Georgians pay on cars and force used cars to be taxed based on the sales price, rather than the lower book value. New cars are taxed on the sales price. House Bill 365, has passed the House and awaits action in the Senate.

[Federal Lobby Reporting Changes: You Need to Know JACK](#)

Lobbyists registered under the Lobbying Disclosure Act (LDA) are now required to disclose federal and state convictions of certain crimes. Under the "Justice Against Corruption on K Street Act of 2018," or "JACK Act," lobbyist registrants filing Form LD-1, and quarterly filers of Form LD-2 lobbying activity reports are required to disclose whether any of the listed lobbyists have been convicted of offenses involving bribery, extortion, embezzlement, an illegal kickback, tax evasion, fraud, a conflict of interest, making a false statement, perjury, or money laundering. This past weekend, the House Clerk and Secretary of the Senate updated the lobbying disclosure forms to implement the law, effective with the first quarter lobby reports of 2019. The first quarter reports are due on April 22. For each lobbyist that has been convicted of one of the "predicate offenses" listed above, the reports require:

- the date of the conviction;
- the jurisdiction of the offense (federal judicial district, or specific county/municipal jurisdiction); and
- either a reference to the predicate offense(s) or the code section(s) under which the lobbyist was convicted, including the number of counts for each.

This information must appear on every subsequent report on which that lobbyist is listed.

Although the vast majority of lobbyists will never have anything to report, it is still important to take this new requirement seriously. Lobbyist registrants should specifically ask each of the lobbyists they are listing, and their outside consultants, whether they have any reportable convictions. Making false statements on LDA filings or omitting information required to be reported may be a violation of the law by the lobbyist registrant.

Vestige of the past, state House's 'lobbyist room' vanishes

It happened without any warning: The "lobbyist room" at the back of Pennsylvania's House of Representatives chamber was closed and is now off limits to lobbyists.

For decades, lobbyists could sit there in a handful of comfortable chairs, watch floor proceedings on TV, print out copies of legislation and send messages to lawmakers in the chamber through a House page who was effectively assigned full-time to this task during floor sessions.

The room was, perhaps, a vestige of a clubbier time decades ago when lobbyists were said to have mingled on the floor with lawmakers during voting sessions, and representatives from the oil and railroad industries were known as the 51st and 52nd senators.

But no more: The House's chief administrative official said he decided last year it is not appropriate and shut it down before even telling its regulars.

The move comes after Gov. Tom Wolf hammered the Legislature while on the campaign trail last year to adopt the kind of gift ban he imposed on the executive branch.

Still, it seems to signal no broader effort to hold lobbyists at arm's length, and the perk wasn't dramatically different than lobbyists' accommodations in some other state capitols.

To some extent, the room is an anachronism.

Lawmakers didn't always enjoy getting a lobbyist's summons through a House page. The extra open door leading into House chambers created a security headache. There are other places to get copies of bills. Floor proceedings can be watched from a fourth-floor gallery or even on a cellphone. And lobbyists can simply text or email lawmakers now, said House Clerk David Reddecliff.

"I've always felt uncomfortable having a special ornate room at the back of the House chamber ... designated a 'lobbyist room,'" Reddecliff said. "And to me the optics — in 2018 at the time, now it's 2019 when we pulled the trigger, and said, 'hey, no more' — it looks like they have just one extra special thing that they can use."

Some lobbyists shrugged.

Others complained bitterly, saying it had been a crucial means of access to lawmakers, particularly when trying to help hold support together, or peel off support, during debates on closely fought legislation.

Lobbyists keeping tabs on floor action could hand a business card to a House page who would deliver it to a particular lawmaker on the floor with a request to step outside and talk. The room and its perks were open to the public, too, they contend.

Reddecliff and the lobbyists' trade group, the Pennsylvania Association of Government Relations, said they are working on new accommodations, like an audio and video feed of floor action outside the chamber.

In some state capitols, lobbyists are relegated to hanging around in corridors for a chance to buttonhole lawmakers. California and Connecticut have TVs in hallways showing live floor proceedings.

But lobbyists in Mississippi have taken over a former committee room, with a coffee machine and occasional food spreads. "Room 210" is now an inside-the-Capitol synonym for the lobbyist corps there.

In some states' chambers, such as Ohio's Senate and Louisiana's House and Senate, lobbyists can get close enough to lawmakers on the floor to speak to them or send messages to them through pages, privileges also extended to members of the public.

In Oklahoma, lobbyists could use Senate parking spaces — until the Senate president pro tempore banned it earlier this year.

Until as late as the 1970s, lobbyists in Pennsylvania's House could hang out at the rear of House floor, behind a brass railing.

They were then bumped to a larger room in the rear of the House and, in the 1990s, to the smaller room that is now locked. The Senate, meanwhile, offers no such accommodation.

But lobbyists are far from shunned in Pennsylvania's Capitol.

Lawmakers' regular fundraisers held a stone's throw from the Capitol are largely attended by lobbyists. A couple of lobbying firms also provide campaign management services.

And lawmakers allow themselves to accept gifts of any value from lobbyists, whether dinners, trips or tickets to golf courses, sporting events or concerts.

There's some speculation in the Capitol's corridors about the timing of the move. Revenge? Leadership worried about keeping votes together on controversial legislation?

Not according to Reddecliff. Rather, he said he gave it a hard look after discovering that a page was dedicated full-time to ferrying lobbyists' business cards during floor sessions.

"I don't think that in 2019 the taxpayers should be providing a copier, a computer, a TV, a room and a person in the form of a page to do your bidding," he said.