

MULTISTATE

Lobbying | Tracking | Compliance | Consulting

Weekly Lobbying Articles

June 28, 2018

Tech dirt

June 27, 2018

Lobbyists Descend On California To Shape A Rushed New Privacy Law

<https://www.techdirt.com/articles/20180627/07571140114/lobbyists-descend-california-to-shape-rushed-new-privacy-law.shtml>

Last year, the GOP and Trump administration used the Congressional Review Act to dismantle FCC consumer broadband privacy protections before they could take effect last March. While AT&T and Comcast whined incessantly about the rules, the FCC's guidelines were relatively modest; they required that ISPs and mobile carriers be transparent about what data is being collected and sold, and get express consumer opt-in consent before ISPs can share more private financial or location data. Such rules could have gone a long way in protecting consumers in the wake of the recent Securus and Locationsmart location data scandals.

Following the ISP-funded attack on FCC authority and consumer protections, states have begun exploring their own privacy protections (mirroring what we're also seeing on the net neutrality front). For example, California last year considered passing a state-level copy of the FCC's gutted privacy rules. But those efforts hit a political brick wall thanks to the collective lobbying muscle of Comcast, Verizon, AT&T, Google and Facebook, which killed that effort by lying repeatedly about what the proposal actually did, including claims the proposal would "aid extremism."

Verizon and Facebook both pretended to back away from those attacks once their efforts gained press exposure, but those promises don't appear to be worth much.

In the wake of the successful attack on FCC privacy rules, California privacy advocates have been pushing a new ballot initiative, this time dubbed the California Consumer Privacy Act of 2018. The initiative would require that companies be fully transparent about what data is being collected and sold (and to whom), as well as mandating mandatory opt-out tools. The proposal goes further than the FCC's discarded rules, in that it would ban ISPs from trying to charge consumers more for privacy, something that has already been previously implemented by AT&T and considered by Comcast.

The new initiative is scheduled to appear on this November's ballot, and Google, Facebook, and large ISPs are once again working in concert to ensure that doesn't happen ahead of a looming Thursday afternoon deadline. They're collectively now pushing for quickly-hacked together "compromise legislation," AB 375, they're hoping will be significantly weaker than the looming November ballot initiative.

"In addition to Facebook, Google, AT&T, Microsoft, Amazon, Verizon, and the California New Car Dealers Association have each contributed six figure donations to the Chamber account set up to defeat CCPA. Uber, the Data & Marketing Association, Cox Communications, and the Interactive Advertising Bureau have each contributed \$50,000 to the account, according to disclosures."

Recall, Facebook recently made a big show earlier this year about how it wouldn't be working to undermine such privacy proposals in the wake of the Cambridge scandal:

"The inclusion of a Facebook representative is notable, given the company's well-publicized announcement earlier this year that it would end its opposition to the initiative. In February, the company provided \$200,000 to an account set up by the California Chamber of Commerce designed to defeat the CCPA initiative. But in April, following revelations about the extent to which British consulting firm Cambridge Analytica provided the Donald Trump campaign with illicit access to Facebook user data, Facebook announced that it would withdraw its opposition to CCPA and not provide additional funding to the Chamber account."

As the GDPR clearly illustrates, there's some real peril in pushing through solutions before ironing out all of the potential pitfalls. Both the scotch-taped together AB 375 and the California Consumer Privacy Act (a pet side project of San Francisco real estate developer Alastair Mactaggart) have some notable problems that would have been aided by a longer, more transparent and inclusive discussion. Though the problems with AB 375 (which, again, if passed would eliminate the latter from contention) are notably worse, in large part because the bill was quickly cobbled together in just under a week behind closed doors:

"By tomorrow, the California legislature likely will pass a sweeping, lengthy, overly complicated, and poorly-constructed privacy law that will have ripple effects throughout the world. While not quite as comprehensive as the GDPR, it copies some aspects of the GDPR and will squarely impact every Internet service in California (some of whom may be not currently be complying GDPR due to their US-only operations). The GDPR took 4 years to develop; in contrast, the California legislature will spend a grand total of 7 days working on this major bill."

Not only was AB 375 a rush job, the bill has been steadily eroded since introduction by this super group of telecom and Silicon Valley lobbying giants. AB 375 just passed out of the out of the Senate Judiciary Committee, meaning it's most likely going to be the California privacy proposal of choice. And the fact that it's a rush job is not apparently of much concern to the bill's backer:

"Assemblyman Ed Chau, an Arcadia Democrat and the chief bill author, said he doesn't like the rushed process forced by the ballot measure deadline, but he stressed that his bill gives Californians important privacy protections."

With that mindset, it's easy to wind up with a privacy law that sounds good ("look ma, I "fixed" privacy!") but doesn't actually do anything. And when you've got lobbyists from AT&T, Comcast, Verizon, Facebook, Google, Amazon and Microsoft disproportionately dictating the overall trajectory of the law, the chances that you're going to end up with weak-kneed "privacy rules" in name only is pretty monumental. Adding speed for speed's sake -- combined with an overall lack of transparency -- only adds to the potential that the rules you end up with are toothless or packed with unintended consequences.

That said, doing nothing isn't an option. This isn't a problem that magically fixes itself.

Modern consumer privacy oversight in the internet-era currently consists of little more than pinky swears and winks, a point driven home repeatedly by the Cambridge, LocationSmart and Securus scandals. We need to have a lengthy, transparent, adult conversation about what a potential solution might look like. The problem is that the larger companies dictating the conversation have an absolutely abysmal track record on these issues, so while they may have valuable insight on the complicated scope of a particular proposal's impact, they've managed, repeatedly, to shoot their credibility squarely in the foot on this subject.

And while ISPs and Silicon Valley giants like to go on at length about how they're "open to having a conversation" about more meaningful privacy guidelines, the reality is that most of these larger companies simply aren't. Any rules worth their salt will cost them money, since an informed, empowered consumer is more likely to opt-out of data monetization schemes, whatever they look like. As a result, you'll be hard-pressed to find many large ISPs or Silicon Valley giants willing to back truly tough consumer protections, especially rules that mandate express, opt-in consumer consent for things like location or financial data.

Eventually, after we've suffered through a few more hacks, breaches and major scandals, some of these companies may shift their thinking toward the idea that compliance with quality, evenhanded rules is more profitable than chaos. But as the ham-fisted repeal of the FCC privacy rules makes clear, we're nowhere near that point yet. Meanwhile, on the federal level, the Trump administration is rumored to be considering a broad new privacy plan. And if the administration's equally heavy-handed net neutrality repeal is any indication, objectivity, hard data and transparency aren't likely to have much of a seat at the table there, either.

Politically Georgia
June 27, 2018

Campaign cash shows Cagle is favorite with Georgia Capitol lobbyists

<https://politics.myajc.com/news/state--regional-govt--politics/campaign-cash-shows-cagle-favorite-with-georgia-capitol-lobbyists/4EUs72cS3bUGU1C6g8j7lO/>

As soon as a seemingly annual bill that used-car dealers worried would raise taxes on their customers began to stall again in the Georgia Senate in March, their lobbyists knew who to thank.

As far as they were concerned, it was Lt. Gov. Casey Cagle, the front-runner in the Republican race for governor, to the rescue. Just like last year.

"We look forward to Lt. Gov. Casey Cagle and the Senate once again stopping the tax increase, as they have done in the past," Mo Thrash, one of their lobbyists, told The Atlanta Journal-Constitution at the time.

So when Cagle was recently recorded saying he helped get a bill passed to block an opponent from receiving campaign help, and reports surfaced that he bought a condo from a lobbyist, few Capitol denizens thought much of it.

The statehouse influence crowd knows Cagle as the guy who can get things done, and he has for 12 years in his role as president of the Senate, where he can breathe life into legislation or smother it.

They've flooded his campaign with their money and checks from their clients, not all of whom have been on the winning side of Senate debates.

"Casey is not afraid to make the tough call," said Jay Morgan, one of the leading contract lobbyists at the Capitol. "Sometimes that tough call is not what I want him to do or what my client wants him to do."

Checks rolling in

Before the 2018 legislative session, Cagle's campaign had received more than \$240,000 from about 85 lobbyists, their family members or firms, according to an AJC review of campaign disclosures. His four Republican opponents in last month's primary had about a dozen lobby supporters combined.

Lt. Gov. Casey Cagle and Secretary of State Brian Kemp emerged as the top finalists in Tuesday's election.

In the weeks after the session, Cagle received at least an additional 20 contributions from lobbyists, worth about \$40,000.

That total doesn't include the hundreds of thousands of dollars collected from state association political actions committees representing various industries with lobbyists at the Capitol, such as doctors, car dealers and insurance agents.

Nor does that figure include big money given to an "independent" federal political fund run by Cagle's backers, which has been able to take unlimited checks from lobbyists, their clients and others with interest in making sure he wins the race.

When asked about lobbyist donations, Cagle said: "Anybody is welcome to donate to my campaign. We don't filter. But I have a very long record of standing up for what I believe in and for what is right for the citizens of our state.

"I hope that people contribute to me for the sole purpose that they buy into our vision and the fact that we have a proven, consistent conservative record. If they're thinking anything different, then they're going to be disappointed."

Exact, up-to-date financial figures won't be known until next month because state law doesn't require candidates to file full reports from early April until early July. Separate from the campaign, the Georgia Conservatives Fund, which is run by Cagle backers, hasn't filed a report since last summer after making regular disclosures for close to a decade.

The fund's lawyer, Josh Belinfante, said it filed a tax return last year and the committee asked for an extension this year.

"We believe that is the only kind of filing that the committee's required to make and are looking into why it even filed (other reports) in the past," he said. "As we have in the past, we will disclose all information that the law requires us to."

Cagle's campaign had raised \$6.8 million as of March 31, and the Georgia Conservatives Fund raised well over \$2 million in the months leading up to the 2017 session alone, according to its last reports.

Another outside group, Changing Georgia's Future, has run TV ads and reported \$230,000 in contributions before the primary. Of that, \$50,000 came from a lobbying outfit, Connect South, and \$100,000 from a limited liability company that listed an Athens post office box as its address and was formed six days before the contribution was given, according to records from the Secretary of State's Office and the state ethics commission.

The group put the money behind ads attacking Cagle's opponent in the July 24 Republican runoff, Secretary of State Brian Kemp.

Relationship building with business lobby

Sara Henderson, the executive director of Common Cause Georgia, a government watchdog group, said the money from lobbyists fits a pattern for Cagle.

"It shows he puts moneyed interests above the voters of Georgia," Henderson said. "The fact that he is basing his policy off his relationships with lobbyists and their clients is a problem.

"It would appear if you want something done, you need to give Casey Cagle a campaign contribution."

As lieutenant governor, Cagle doesn't officially sponsor or vote on bills. His positions on most legislation aren't publicly known during a session. His power is wielded behind closed doors, where Senate leaders decide which bills to vote on, or if a bill gets rewritten, or if bills will be ignored during the 40 days of lawmaking.

Car dealers have flooded Cagle's campaign, and the "independent" fund, with money at the right time.

New- and used-car dealer lobbyists have battled for the past few years over how their customers are taxed.

New cars are currently taxed based on sales price, whereas used cars are taxed at the generally lower "book value."

So, if somebody buys a used car for \$10,000 and owes the current 7 percent tax, but the state values the vehicle at \$8,000, that person pays the taxes on the \$8,000, not on what he or she paid for it. The difference in taxes would be \$140 in that scenario.

New-car dealers — who also sell about 40 percent of used cars in the state — have lobbied the past few years to see the state use the same basis — the sales price — for taxing both new and used cars. The House has supported the change, but the Senate, which Cagle leads, hasn't.

In the months leading up to the 2018 legislative session, Cagle's campaign received about \$145,000 from 75 car dealers, some who opposed the stalled legislation and some who supported it. The new- and the used-car dealers associations — their lobbying arms — also contributed.

Since the legislative session's end, car dealers have continued to invest in Cagle's campaign. Thrash's Georgia Independent Automobile Dealers Association gave an extra \$2,500 on May 15, the same day the new-car dealer's association, the Committee for Automobile Retail Dealers of Georgia, gave \$6,600.

Cagle and the fund his supporters started have gotten contributions from the gaming industry, which has pushed casino legislation, and fantasy sports giants wanting to regulate their industry, both efforts that have stalled in recent years.

His campaign received \$1,000 from the mobile home lobby in April, shortly after the General Assembly cut taxes on sales of mobile homes.

His campaign got \$6,600 from Colonial Group of Savannah last year, only a few months after the Senate passed a tax break on the final night of the session for giant yacht owners to help jump-start one of the company's business ventures. Before the 2017 session, the company, which operates a collection of shipping, oil and gas businesses, gave the Georgia Conservatives Fund \$25,000.

One of the company's lobbyists is a former top aide to Cagle.

Top industry lobbyists showing loyalty

Few lobbyists have shown as much support for Cagle as Trip Martin, whose firm, GeorgiaLink, has among the longest lists of clients at the Capitol.

Martin, who represents the Atlanta Braves, Children's Healthcare, Comcast, the small-loan association, CVS, Delta Air Lines, new-car dealers, horse racing interests, Georgia Power, UPS and dozens of others, contributed \$5,000 a few weeks after the 2018 session ended.

He and his partners have given about \$30,000, and 21 of his clients have contributed more than \$90,000 to Cagle's campaign.

In the days leading up to the 2017 session, about one-third of all contributions to the Georgia Conservatives Fund came from Martin's clients.

"He's been a good friend since he started serving down there," Martin said. He noted that one of his partners, Skin Edge, was the Senate minority leader when Cagle won a Senate seat in 1994.

"He has always been reliable, he's always kept his word," Martin said. "From a business perspective, he was always good to deal with. He knows how the state runs, he knows the budget."

Martin, like other lobbyists the AJC talked to, said Cagle hasn't always sided with them. Martin, for instance, was hired by Delta, which was hoping the General Assembly would back a \$50 million-a-year tax break on jet fuel this session.

Cagle helped scuttle the tax-break bill after Delta broke ties with the National Rifle Association.

Delta has contributed about \$22,000 to Cagle campaigns since 2006, including \$4,000 to his gubernatorial bid.

Cagle said what happened with the tax-break bill showed he's not afraid to go against donors. "I've had to do that with other donors as well," he said.

Martin wasn't surprised.

"As pure as we all try to be, politics is still the art of compromise," he said.

Morgan also represents a long list of clients, including cigarette maker Altria, AT&T, the Georgia Hotel and Lodging Association, the Grady Health System, Motorola, Procter & Gamble, Southern Company Gas, Florida managed care giant Wellcare and private prison company The Geo Group.

Morgan, a longtime Republican activist, paid to cater a fundraiser for Cagle last year, and his clients have donated about \$70,000 to his campaign.

They've also been big donors to the Georgia Conservatives Fund. AT&T, for instance, donated \$10,000 to it in January, a few days before the 2018 legislative session began.

Belinfante, the lawyer for the Georgia Conservatives Fund, filed paperwork in February — during the session — naming Morgan as the chief executive officer of the entity and nursing home lobbyist Russel Carlson as the chief financial officer and secretary. Cagle's campaign fundraiser had been the CFO of the fund for years, but Belinfante changed that in October.

Morgan said the move was largely made to "create a firewall" between the fund and Cagle's campaign. The fund and his campaign are not legally allowed to coordinate.

Morgan says Cagle is the best candidate in the race and the one most likely to continue the Republican Party's political dominance at the Capitol, which has lasted 16 years.

"Casey is one of those guys who you sit with who, if he tells you something is going to happen, that's what he tries to make happen," Morgan said.

A question of lobby influence

State Rep. Scot Turner, R-Holly Springs, who has been targeted in the past by the state's bigbusiness lobby, said it's important for voters to know where candidates such as Cagle are getting their money.

"For anyone who says lobbyist dollars don't mean action, they aren't paying attention," said Turner, who has not endorsed either Kemp or Cagle in the runoff but supported a third, unsuccessful candidate, Clay Tippins, in the GOP gubernatorial primary.

"There is no doubt that lobbyists who have good relationships get more done at the Capitol," he added. "So long as the playing field is level, the important thing is that voters know where the money is coming from so they can make an informed decision."

Henderson of Common Cause Georgia said Cagle's relationship with lobbyists, and their overwhelming support of his campaign, "should be hugely concerning to voters as they go to the ballot box next month."

"As a voter and a layperson, you have to wonder, who is he actually working for?" she said. "The moneyed interests, the lobbyists and their clients, or the voters of Georgia?"

**Daily News
June 26, 2018**

Client of lobbyist law firm Mayor de Blasio owes big money to wins approval for tower from mayor-appointed board

<http://www.nydailynews.com/new-york/ny-metro-mayor-lawfirm-20180626-story.html>

Mayor Bill de Blasio announces paid parental leave at a City Hall press conference on Wednesday, June 20, 2018. (Jefferson Siegel / NEW YORK DAILY NEWS)

The client of a lobbyist law firm Mayor de Blasio owes \$300,000 to win a crucial go-ahead Tuesday for a tower he's trying to build from a board made up mostly of de Blasio appointees.

The law firm of Kramer Levin represented builder Jonathan Kalikow before the city Board of Standards and Appeals, which voted unanimously to let his mega-tower on Sutton Place go forward.

Four of the five board members were appointed by de Blasio. The mayor owes Kramer Levin the six figure legal bill for representing him during federal and state investigations of his fundraising.

The tower has been opposed by the neighborhood, which pressed rezoning that would have shut it down.

But Kramer Levin last fall won a loophole exempting their client from that zoning change after lobbying Deputy Mayor Alicia Glen and Planning Commissioner Marisa Lago — both de Blasio appointees.

The City Council subsequently removed that loophole and approved the rezoning, but the neighborhood leaders said by then it was too late. The loophole gave Kalikow enough time to make “substantial progress” on the building's foundation.

That allowed Kalikow to claim he was still exempt from the rezoning because it would create a “hardship” for a project that was already underway before the rules changed — the trigger to win approval from the BSA.

Michael Hiller, an attorney for East River Fifties Alliance, the neighborhood group opposing Kalikow's tower, questioned the integrity of the approval.

“The BSA vote paves the way for a politically-connected developer to violate the zoning resolution and frustrate the will of the City Council, which...passed legislation to prevent this very outcome and others like it,” Hiller wrote.

Hiller noted that the vote came minutes after testimony from both sides ended. He said the neighborhood group plans to sue.

Councilmember Benjamin Kallos, who has joined the neighborhood in fighting the tower, questioned the board's approval as well. He alleged that the developer improperly obtained permits to get the foundation job far enough along to get by the BSA.

“The fight to preserve our residential communities against super-tall buildings will likely have to continue in court before a judiciary less likely to be tainted by the political process after today's irresponsible decision by the Board of Standards and Appeals,” Kallos wrote in a prepared statement.

Kramer Levin did not return a call seeking comment. The mayor's press secretary, Eric Phillips, said the approval had nothing to do with the mayor's unpaid legal bills.

“The Board doesn't care that some lawyer at a firm involved in a project knows the mayor. And the mayor isn't involved in this project,” he said.

Chipley Paper
June 23, 2018

Sec. of State Richardson wants to let Oregon political campaigns accept cryptocurrency donations

<http://www.chipleypaper.com/news/20180623/sec-of-state-richardson-wants-to-let-oregon-political-campaigns-accept-cryptocurrency-donations>

Oregon's Secretary of State Dennis Richardson announced this week he wants to give political campaigns in the state the right to accept donations in Bitcoin and other nongovernment-backed digital "cryptocurrencies."

Richardson argued that the move is "a new and innovative way to expand participation in Oregon elections."

"Cryptocurrency is here to stay," the Republican added, in a prepared statement. But critics, including Democratic state Treasurer Tobias Read, fear the change could make the state's campaign finance system less transparent. It could potentially even let people more easily use straw donors to conceal their contributions - a crime - due to cryptocurrency's secretive nature.

A cryptocurrency is privately created money, such as bitcoin, that is traded and spent. Cryptocurrencies are subject to different regulations from one country to the next. They have been likened to the private, scrip-like currencies created by some banks and railroad companies in the 1800s, prior to the advent of a strong federal government.

As one of few states that sets no limits on contributions to political campaigns, Oregon leaders often stress the importance, as a counter-balance, of making campaign finance records open and easily accessible to the public.

"Cryptocurrency is by its nature opaque," Read said, in a prepared statement. "Oregonians want clean, transparent, accountable and open elections and the two would seem to be at odds with each other."

Cryptocurrencies, which have fluctuating dollar values, aren't backed by any government. Instead, they're tracked by a network of computers around the world that record when bitcoins and other similar currencies are bought and sold, and when new bitcoins are created by computer enthusiasts using complex, time-consuming computer procedures. They gain or lose value based on the market for them and whether users trust them or consider them a good investment.

While all individual cryptocurrency transactions are meticulously tracked and available to the public, the people making those transactions can stay anonymous.

For that reason, the currencies have at times been used by criminals for illegal activity, though enthusiasts say that stigma is unfair.

A bitcoin's market value skyrocketed in 2017, with the price of a single bitcoin increasing from \$1,000 to almost \$20,000 in December before dropping back down this year. The value has gone up in part because more and more people trust the digital currency for certain transactions.

The debate over cryptocurrency in political giving is one that the federal government and several states have wrestled with in recent years.

The Federal Elections Commission explicitly allowed cryptocurrency donations up to \$100 in federal races in a 2014 ruling. Some candidates have used that decision to accept cryptocurrency contributions up to the federal individual donation limit of \$2,700.

While most politicians so far have only raised small amounts through cryptocurrencies, a Democratic House candidate in southern California raised nearly \$200,000 in bitcoin and others during the May primary this year.

Some states have proactively balked at the change more recently, however, including Kansas. The state ethics commission there ruled last year that bitcoin is "too secretive and untraceable," and could be used by "totally unidentifiable lobbyists" to influence local elections.

Under Richardson's proposed administrative rule, cryptocurrency campaign donations would be treated the same as a gift of stock. Campaigns would report the person or business making the donation and the contribution's dollar value on the day it was received. There would be no limit on the size of individual contributions, just as Oregon imposes now limit now on the size of U.S. currency contributions.

Candidates could hold on to their digital currency - keeping and reporting any potential gains in value - but they would have to sell it before they could spend any of it on campaign expenses.

Richardson's office this week said that no individual or group had asked or lobbied for the rule change. Richardson decided to address the issue himself, in light of the FEC's 2014 ruling and a recent decision by Colorado's secretary of state to pursue a similar change.

Asked about potential concerns about transparency, Richardson's chief of staff Deb Royal said cryptocurrency contributions would be treated "like we treat everything else."

Donors for all contributions over \$100 must be identified in a candidate's campaign filings, she wrote in an email.

The transparency concern is less about direct donations, but about previous transactions of the same cryptocurrency in which the players could be anonymous.

"You could never trace where the money came from, even if it's given by a known donor. You never know where he originally got it," said Norman Turrill, president of the Oregon League of Women Voters, which has not yet taken a formal position on the proposed rule.

Turrill and Treasurer Read acknowledged that traditional currencies can also be used by so-called "straw donors." But in those cases, law enforcement - if not the general public - has the ability to access banking records and detect the initial source of the funds if questions emerge, they argued.

"It's one thing when someone is hoping to buy a bike with their bitcoin," Read said. "It's another thing when it relates to our election system, which recent history has shown can be manipulated by foreign governments and those who want to undermine our trust in our democratic system."

The secretary of state's office will hold a public hearing on the rule change on July 23 in Salem and is accepting public comment until Aug. 7.

TIME

June 21, 2018

Here Are the All the Recent Campaign Donations That Might Raise Eyebrows

<http://time.com/5319246/campaign-donations-2018-election/>

May was packed with primary congressional elections, giving political donors and special interests plenty of opportunities to try to influence outcomes.

New filings with the Federal Election Commission, due Wednesday night, shed new light on last month's campaign money battle — from Democrats cashing in on Chinese corporate stock to President Donald

Trump's comedic doppelgänger donating to a Democrat to private prison interests opening up their wallets to lawmakers.

Here's a by-the-numbers look at the highlights:

\$5,402,259: Value of 21,635 shares of Baidu Inc. — a Chinese technology behemoth with reported ties to China's Communist Party — that California physician Karla Jurvetson donated to Women Vote!, the super PAC branch of abortion rights group Emily's List.

Women Vote! sold the Baidu Inc. stock on May 10, according to FEC records. The money Women Vote! earned from the stock sale, which occurred as trade and economic tensions between the United States and China were rapidly escalating, represents more than half the money the Democrat-backing super PAC collected during May.

"We cleared the donation through our lawyers," Emily's List press secretary Alexandra De Luca told the Center for Public Integrity. "They didn't see a problem as it's a publicly traded company" on the NASDAQ exchange.

One election watchdog doesn't consider the transaction problematic.

"The super PAC may feel a debt of gratitude to Karla, not to Baidu," said Brendan Fischer, director of federal and FEC reform at the Campaign Legal Center. "The timing of the donation and selling of the shares was close. One scenario that might have raised eyebrows: If the group held on to the shares, leaving the financial interests of the super PAC tied up with the financial success of the company. But it doesn't seem like that was at play here."

Karla Jurvetson is the former wife of venture capitalist Steve Jurvetson, who in the past three years has been accused of sexual harassment — he denied the accusations — and has left the firm he helped found.

Women Vote! most recently spent \$2.4 million on mailers and media buys to support 29-year-old Sara Jacobs, a congressional candidate who lost in California's 49th District primary. It's also spent \$247,000 on mailers backing Democrat Madeleine Dean in her race to represent Pennsylvania's 4th Congressional District.

Women Vote! also spent \$264,000 to support Democratic candidate Cindy Axne in Iowa's 3rd District congressional race and \$310,000 to back Katherine Porter in California's 45th Congressional District.

\$2 million: Amount liberal megadonor and Paloma Partners president Donald Sussman donated to Women Vote! in late May.

2: Number of registered federal lobbyists — including one who advocates for the private prison industry — that raised money for the Democratic Congressional Campaign Committee in May. Jessica Straus, former finance director for the campaign committees of Democratic Sens. Chuck Schumer and Barbara Boxer and now director of government affairs at Dish Network, raised \$72,250. Richard Sullivan, a lobbyist with State Federal Strategies and former Democratic National Committee finance director, raised \$24,400. Sullivan currently lobbies for several companies, including the GEO Group, which specializes in private prisons and operates several ICE detention facilities. In general, detention facilities have been under greater scrutiny because of a government policy— Trump amended it Wednesday amid withering criticism — that’s resulted in the separation of immigrant families suspected of illegally entering the United States. The 2016 Democratic Party platform said Democrats would “fight to end federal, state, and municipal contracts with for-profit private prisons and private detention centers.”

\$60,500: Value of donations in May from the PAC of private prison company GEO Group to various political committees. Among its recipients: \$25,000 to Protect the House, which benefits Republican House candidates, and \$15,000 to the National Republican Senatorial Committee. GEO Group’s PAC backed dozens of federal and state candidates including Sen. Ted Cruz, R-Texas (\$5,000); Rep. Mike Coffman, R-Colo. (\$2,500); and Rep. Ben Ray Lujan, D-N.M. (\$2,500).

\$14,000: Money donated in May by the Corrections Corporation of America PAC to federal political committees. This PAC is run by CoreCivic, another company that operates ICE detention centers. It contributed \$5,000 to House Majority Leader Kevin McCarthy’s Majority Committee PAC and \$2,500 to Help America’s Leaders PAC, which is led by Rep. Hal Rogers, R-Ky. CoreCivic has also supported several Republican candidates campaign committees directly, including Rep. Jackie Walorski, R-Ind.; Sen. John Hoeven, R-N.D. and Rep. Michael McCaul, R-Texas.

\$5,400: Amount actor Alec Baldwin, who portrays Trump on Saturday Night Live, contributed to the campaign of Democrat Liuba Grechen Shirley, who is running for New York’s 2nd District seat. Grechen Shirley made headlines in May when the FEC ruled that she could use campaign funds to pay for childcare expenses.

0: Number of donors, known before Virginia’s June 12 primary, who gave money to a group called Defeat Slavery, which poured more than \$160,000 to support Democrat Alison Friedman in the Virginia 10th District race. Friedman lost her primary to Jennifer Wexton, who will face Republican incumbent

Rep. Barbara Comstock. Defeat Slavery wasn't required under federal law to disclose its donors because it began spending just several days prior to the election. Instead, it's first scheduled to report its donors next month.

25: Number of days after the U.S. Senate Ethics Committee "severely admonished" Sen. Bob Menendez, D-N.J., that Facebook's political action committee contributed \$1,000 to Menendez's re-election campaign. Facebook spokesman Andy Stone declined to say why Facebook's PAC contributed to Menendez's campaign, instead referring the Center for Public Integrity to the company's political engagement policy, which in part states: "In deciding which federal candidates to support, Facebook PAC considers whether an individual candidate's policy stances are consistent with Facebook's public policy agenda and business interests, particularly the individual's commitment to fostering innovation and an open Internet." A week after Facebook PAC's contribution, the PAC of Comcast/NBC Universal contributed \$7,000 to Menendez's campaign. Federal prosecutors tried Menendez on corruption charges related to his relationship with a wealthy campaign donor. But a jury deadlocked in November, and prosecutors decided in January to not retry Menendez.

\$51,909: Amount the John Bolton Super PAC spent in May, after stating in March it would suspend its political activities ahead of namesake John Bolton becoming Trump's national security adviser. Most of the expenditures went toward legal and communication consulting fees. The super PAC also kept two employees on its payroll, including Kathy Flavin, who last month declined to explain why the super PAC and related John Bolton PAC retain Bolton's name despite Bolton disassociating himself from the groups. The John Bolton PAC, for its part, spent nearly \$49,000 in May.

\$542,000: Amount super PAC House Freedom Action spent this year boosting its favored Republican candidates. The group, backed by megadonors such as Uline CEO Richard Uihlein and Ariel Corporation Vice President Tom Rastin, spent \$121,000 in May on a media buy and digital ads to support Republican Stephen Bloom, who lost his congressional primary in the race to represent Pennsylvania's District 13, as well as smaller five-figure ad purchases for House races in Ohio and New Mexico.

0: Number of donations that pro-Trump super PAC Make America Number 1 collected during May. The group, run and majorly funded by members of the wealthy Mercer family, did spend \$28,000 on legal consulting to Greenberg Traurig, the former law firm of Trump lawyer and former New York City Mayor Rudy Giuliani.

2: Number of sports team-owning billionaires who donated to Vice President Mike Pence's leadership PAC, the Great America Committee. Houston Texans owner Robert McNair and Chicago Cubs owner Joe

Ricketts each donated \$5,000. McNair has previously donated to super PACs that aim to maintain Republican control of the U.S. House and Senate as well as the pro-Trump Great America PAC. The conservative Ricketts family maintains close ties with the Republican party. Todd Ricketts (Joe Ricketts' son and himself a Cubs co-owner) was named finance chairman of the Republican National Committee in January and was previously Trump's nominee for deputy commerce secretary. (Ricketts withdrew before the Senate voted on confirming him.)

91.8: Percent of money preeminent Democratic super PAC Priorities USA Action raised in May from non-human sources. They include other super PACs, such as House Majority PAC and Senate Majority PAC, and labor interests, including the International Brotherhood of Electrical Workers Political Action Committee and Laborers Political League Education Fund.

Priorities USA Action took in \$130,000 from three flesh-and-blood donors: management company Q Prime founder Cliff Burnstein, software architect Link Wilson and James Attwood Jr. of the Carlyle Group.

\$120,620: Spending during May by Jill Stein's 2016 Green Party presidential committee, which for months had failed to file mandatory federal campaign finance disclosure reports. (It finally began the retroactive filing of its disclosures in early June.) The Stein committee's May spending went mostly toward legal fees and paying a small staff that continues to work for the committee.

13: Number of six-figure contributions received by super PAC Senate Majority PAC, which aims to elect Democrats into the Senate. The group, which raised \$3.9 million during May, collected \$1 million combined from the billionaire couple Reed Hastings, the CEO of Netflix, and his wife, Patty Quillin, director of Meadow Fund, a donor-advised fund. This is down from previous months: Senate Majority PAC brought in \$8.7 million in April and \$14.1 million in March.

3/4: Fraction of the \$800,000 raised in 2018 by super PAC Hoosiers for Conservative Values that qualifies as "dark money" — the kind not easily traced back to a root source. Hoosiers for Conservative Values backed Republican Rep. Luke Messer in the Indiana primary, which he lost to fellow Republican Mike Braun. This super PAC raised \$600,000 from the American Economic Freedom Alliance, a nonprofit that's not required to disclose its donors.

"This is something we've seen emerging over the past few cycles," said Fischer of the Campaign Legal Center. "Even though the super PAC discloses its donors, the public still doesn't know the full extent of the super PAC's finances because there is dark money in the mix. It allows a donor the anonymity they want."

American Economic Freedom Alliance has a stacked roster of veteran Republican political operatives and lawyers linked to the vice president, including Michael Adams, a lawyer for Mike Pence's leadership PAC and Marty Obst, Pence's campaign manager. The American Economic Freedom Alliance itself aired adslast year asking Trump to "protect Americans from a dumb tax [imposed by the Affordable Care Act] that drives up their premiums."

5/6: Fraction of Club for Growth's May income — not counting a \$1 million cash bump from Club for Growth's Missouri branch — that came from Richard Uihlein, who gave \$500,000. Uihlein and his wife, Elizabeth, have spent close to \$30 million on the midterm elections so far.

\$400,000: May donation from Idaho-based wellness company Melaleuca to the super PAC Senate Leadership Fund, which aims to elect Republicans to the Senate. The company gave the super PAC's House-focused equivalent, the Congressional Leadership Fund, \$100,000 in March. In all, Senate Leadership Fund brought in \$643,000 in May, down from \$4.2 million in February and \$5.2 million in March.

6: Number of people identified as a "teacher" or "professor" who in May made contributions to the National Rifle Association of America Political Victory Fund that were sizable enough to require they be publicly reported. In the aftermath of the Marjory Stoneman Douglas High School mass shooting in February, numerous students and educators have called for a boycott of businesses who support the National Rifle Association.

\$375: Amount that "Anonymous Anonymous" of "N/A, Virginia" has reportedly contributed to the National Rifle Association of America Political Victory Fund during 2017 and 2018. "DFGDFG" is how "Anonymous lists his — her? — occupation. Federal law requires political committees to publicly disclose the name, address, employer and occupation of anyone contributing more than \$200 during a two-year election cycle.

\$80 million: Amount billionaire businessman and former New York City Mayor Michael Bloomberg plans to spend mostly to boost congressional Democrats in the 2018 midterm elections, according to the New York Times. Bloomberg also committed to support gubernatorial candidates of both parties who have "shown strong leadership on gun safety, the environment, education and other critical issues facing the country."

\$500,000: Donation from Crow Holdings Pool — a limited liability company connected to the Crow Holdings real estate empire — to conservative super PAC American Crossroads. The company has given

such sizeable contributions in the past, such as \$125,000 to pro-Ted Cruz super PAC Trusted Leadership PAC.

\$265,891: Amount of money the Conservative Leadership Alliance, or CLA Inc., dropped on ads released Tuesday that target Lee Bright, a Republican candidate running for South Carolina's 4th Congressional District seat. The group has spent about \$25,000 in support of Bright's establishment Republican opponent Joshua Kimbrell and around \$291,000 total opposing Bright. CLA Inc., is a 501(c)(4) "social welfare" nonprofit that doesn't disclose its donors. But as the Center for Public Integrity reported in May, CLA Inc. is led by a longtime lobbyist for electric company FirstEnergy, which Ohio congressional candidate and state Rep. Christina Hagan said pressured her — unsuccessfully — to vote for legislation it supported. After Hagan declined, CLA Inc. spent tens of thousands of dollars to help defeat her.

\$1.5 million: Amount raised in May by super PAC Planned Parenthood Votes. It's the most money the group has brought in during any single month since January 2017.

\$14.58 million: The Republican National Committee's haul in May, breaking its record for nonpresidential year fundraising for the second month in a row. The RNC raised \$12.99 million in April.

\$1,533: Amount super PAC NextGen Climate Action Committee spent on pizza for event food in May. The super PAC is led by liberal billionaire Tom Steyer, who ranks among Democrats' most generous patrons.

\$577.98: Available money, through May, reported by Impeach This Racist Unqualified Misogynist President PAC, a federally registered political committee that has, to date, failed to turn anti-Trump angst into cold, hard cash.

Providence Journal
June 21, 2018

State rep. and his primary opponent joust over campaign spending

<http://www.providencejournal.com/news/20180621/state-rep-and-his-primary-opponent-joust-over-campaign-spending>

A complaint filed by the state coordinator for the R.I. Progressive Democrats suggests that Rep. Kenneth A. Marshall, the senior deputy majority leader and first vice chairman of the House Finance Committee,

has utilized campaign funds for personal expenses such as out of state trips and thousands of dollars worth of food, drink and cigars.

PROVIDENCE, R.I. — An elections complaint filed Wednesday with the state Board of Elections seeks an investigation of state Rep. Kenneth A. Marshall's campaign spending since early 2016, when he was fined for misreporting donations.

Nathan Carpenter, state coordinator for the Rhode Island Progressive Democrats of America, hand-delivered the 19-page complaint to the Board of Elections. It contends that Marshall had listed out-of-state trips, including one to the five-star Delray Sands resort in Palm Beach, Florida, in February; and tabs for restaurants, bars and cigar bars as campaign expenses without indicating their connection to his seeking or holding office.

During months that Marshall reported spending thousands of dollars purportedly hosting fundraisers, he listed no resulting contributions, Carpenter said in his complaint.

Marshall, a Democrat, was elected in 2012 to represent parts of Bristol and Warren. He is senior deputy majority leader and first vice chairman of the House Finance Committee.

Carpenter seeks a hearing on Marshall's spending more than \$15,000 on food, drink and cigars since he was elected. Some of those include \$563.84 on May 11, 2016, at Terrazza, in Smithfield; \$895.36 a week later at Roberto's, in Bristol; and \$456.65 on March 5, 2018, at the Public Kitchen and Bar, in Providence.

Marshall recorded his spending on gas and meals for trips to New Hampshire, Vermont, and Quebec, Carpenter's complaint says.

In an emailed statement, Marshall characterized the complaint as "mudslinging" and "bullying tactics" by his Democratic primary challenger, Laufton Ascencao, and his supporters:

"Rather than have a meaningful discussion about the issues that matter most to Bristol and Warren, they chose to rip a page from the extreme left playbook and attack with baseless claims," Marshall said.

"For the record, my opponent has failed to even file a fully complete notice of organization with the Board of Elections, the very first step one must take to legally run for office in this state. He also circumvented campaign finance laws by failing to file his candidacy before the end of the last filing deadline — even as he was raising money. He has sent out mailings that are in clear violation of state law.

“I have served my hometown and this district for nearly 21 years with honesty and integrity and I will not stand by as my reputation is damaged and my record of service is called into question. I will answer every allegation and I will work to expose the ‘dark money’ now flooding this district and financing my opponent’s campaign.”

Ascencao provided a copy of his completed notice of organization, marked received by the Board of Elections on June 18, the date he announced his run.

“I have sent mailers out since supporting my candidacy but that’s legal and an obvious piece of any successful campaign,” he said via email.

“I’m not in law enforcement so I don’t know if Marshall broke the law,” Ascencao said. “I do know that if he is telling the truth, and spending over \$15,000 on drinks, cigars, and trips to luxury resorts from your campaign fund is all part of the job of being State Representative, then we have an even bigger problem in this state. ... When decisions are made in back rooms and at fundraisers the only people who benefit are lobbyists and those who can afford them.”