

MULTISTATE

Lobbying | Tracking | Compliance | Strategy

Former Mass. state police union president, lobbyist facing federal fraud charges

The former president of the State Police Association of Massachusetts and the union's former Massachusetts lobbyist were charged after allegedly defrauding union members and the state, according to federal authorities.

Dana Pullman, 57, of Worcester and Anne Lynch, 68, of Hull have been charged with wire fraud, honest services wire fraud, conspiracy to commit wire fraud, and obstruction of justice.

Both Pullman and Lynch appeared in federal court in Boston on the charges Wednesday. They were both released on \$25,000 unsecured bonds and issued travel restrictions while the criminal case is pending.

The State Police Association of Massachusetts is an association consisting of more than 1,500 troopers and sergeants from the Massachusetts State Police. The association acted as the exclusive bargaining agent between its members and the state regarding the terms and conditions of union members' employment, according to a statement released by the federal Department of Justice.

Pullman, who was a state trooper from 1987 to at least 2018, was union president from 2012 until his resignation on Sept. 28, 2018. Lynch's lobbying firm represented the state police union during the same period, in exchange for monthly retainer payments.

From at least 2012 until Pullman resigned, Pullman, Lynch and others were involved in a conspiracy to defraud union members and "the Commonwealth of Massachusetts of their right to honest services from Pullman through fraud and deceit," according to a statement released Wednesday morning by the Department of Justice.

"This included illegal bribes and kickbacks that Pullman received from Lynch and her firm. Pullman, Lynch and others were also allegedly involved in a scheme to defraud two different companies that sought to do business with the Commonwealth," the statement reads.

The state police union paid a \$7,000-per-month lobbying fee from 2008 to 2018 and another \$2,500 per month to the firm starting in 2016 for public relations work, according to the criminal complaint.

Pullman is also charged with wire fraud in connection with his alleged embezzlement and misuse of union funds for personal use by submitting expense reimbursement checks to the union without receipts, circumventing and bypassing the union's executive board, and using a debit card tied to a union bank account, according to the statement.

He allegedly encouraged members of the union's executive board to falsify and submit expense reports "in order to cover other uncompensated expenses including political contributions they were expected to make," according to the criminal complaint.

Pullman used the union debit card "to pay for thousands of dollars of meals, flowers, travel, and gifts for an individual with whom Pullman was having a romantic relationship," according to the statement.

The criminal complaint indicates some \$9,300 in flowers and gifts baskets for family and friends and \$4,400 in flowers and gifts for an individual he was having a romantic relationship with Pullman purchased with the union debit card.

He allegedly also used the union debit card to pay for a \$468 lunch in New York, which included \$150 in caviar, other meals, airline flights and \$2,113 to the Palms Hotel in Miami, for a personal gateway with his romantic partner "that Pullman falsely claimed" was related to a national trooper's meeting.

Pullman is also accused of leasing a 2017 Chevrolet Suburban valued at \$75,760 and used two checks from the union's account totaling \$21,371 as a down payment, according to federal records.

Pullman's lawyer said Wednesday that his client denies the charges.

The arrests aren't related to the overtime abuse scheme that has shaken the State Police. Pullman had been a vocal defender of the dozens of current and former troopers charged in that case.

He resigned from his union post and the state police last September, citing personal reasons.

The charges of fraud and conspiracy each provide for a sentence of up to 20 years in prison, three years of supervised release and a fine of \$250,000 or twice the gross gain or loss, whichever is greater. The charge of obstruction of justice provides for a sentence of up to 10 years in prison, three years of supervised release and a \$250,000 fine.

The current leader of the state police, Col. Kerry Gilpin, issued a statement Wednesday saying she "and her command staff demand and expect that department members follow the law and department policy in all aspects of their professional and personal lives, including union activities."

"The conduct as alleged in the criminal complaint represents serious offenses and violates the ideals and values of the Massachusetts State Police," Gilpin said. "The department has cooperated and will continue to cooperate with the United States Attorney's Office and continues to fulfill its mission through the countless troopers who protect our state with dedication, courage, and integrity every day."

[Lobbying spending sets new record in Colorado, as interests shift to influence Democratic-controlled Capitol](#)

The aggressive agenda pursued by Colorado's Democratic-controlled legislature this year – including bills on oil and gas regulation, family leave policies, climate change and health care – contributed to record spending on lobbying.

Business interests, associations, nonprofits and other groups spent more than \$36.4 million on lobbyists in fiscal year 2019 to influence Colorado lawmakers and government agencies. The total is up 9% from the \$33.4 million spent the year before.

“2019 was one of the most challenging legislative sessions,” said Don Knox, who manages the Colorado Lobbyists Association and 22 other associations. “It’s a tough year for business.”

The spending to influence policy in Colorado — as recorded in required lobbying income reports — steadily increased over the past five years. The 2019 numbers are 22 percent higher than in 2015.

More than 600 firms and individuals representing more than 1,000 clients registered to lobby the legislature and state government in fiscal year 2019, according to state records analyzed by The Colorado Sun. The top 10 recipients of lobbying income are all firms that employ multiple lobbyists, with six taking in more than \$1 million.

The spending in fiscal year 2019 significantly outpaced that of the previous year during the legislative session. In fact, lobbying spending topped \$4 million in the months of March and April as lawmakers grappled with oil and gas regulations, a bill on paid family leave, marijuana legislation and more.

Secretary of State Jena Griswold, who campaigned against big money in politics, said the level of spending is concerning, because only large organizations can afford to pay for lobbyists.

“I really do think that Coloradans feel that their politicians are beholden to big-money special interests,” she said in an interview. “We’re seeing a lot of money coming in, and we have to increase transparency as much as we can.”

The top spending industries included cannabis and oil and gas

[Cannabis companies](#) and [oil and gas interests](#) contributed significantly to the increased lobbying spending as they worked to influence significant legislation impacting their industries.

Cannabis businesses spent nearly \$1.4 million compared with nearly \$1 million in 2018, for instance. The laws governing the sale and use of recreational and medicinal marijuana faced legislative review this year, and the industry also sought to enact laws vetoed by former Gov. John Hickenlooper. Measures to add autism to the list of conditions for which medical marijuana can be recommended, allowing publicly traded companies to invest in cannabis businesses and to create marijuana “tasting rooms” were successful.

The oil and gas industry spent more than \$1 million, up 47% from the year before.

A significant portion of that increase came from the American Petroleum Institute, a national industry organization, which ranked as the second-highest spender at more than \$236,000. Of that, \$150,000 went to three lobbyists with Denver-based Brownstein Hyatt Farber Schreck, one of the most prominent national lobbying firms in the country. Those three lobbyists worked only on the legislation to overhaul the regulation of oil and gas drilling in Colorado, which was [amended in the House to benefit the industry](#) after passing the Senate.

“Senate Bill 181 is the most sweeping piece of energy legislation passed in Colorado in decades,” Lynn Granger, executive director of the Colorado Petroleum Council, the local affiliate of the national group, said in a statement. “Energy issues remain at the forefront of public policy in Colorado and we are committed to having a voice in those discussions.”

Other legislation attracted [considerable attention](#) from the business community. A bill to create a statewide paid family leave program generated the most activity, with more than 200 lobbyists representing nearly 250 clients. Heavily lobbied measures also included an equal-pay act;

prohibiting asking about criminal history on job applications; and allowing local governments to set their own minimum wage.

In the end, legislators scaled back the family leave bill to study the issue, and other measures were likewise amended to address the concerns of special interests, as is common practice in the lawmaking process.

Knox said he anticipates even higher spending next year. “I think lobbyists are gonna bill more in 2020,” Knox said. “Because it’s still single-party control. The best situation is when there’s divided government because things move a little more rationally.”

Xcel Energy topped the spending list for 2019, a position the utility company has held [since 2015](#). Key issues for the company included renewal of the [Public Utilities Commission](#) and a bill that [set carbon emissions reduction targets](#), both of which ended up in [single bill](#) that the company supported.

An Xcel spokeswoman noted in an email that the utility serves 1.4 million Coloradans and is working to reduce carbon emissions. She called 2019 “a historic year for Colorado energy policy.”

“We appreciate the opportunity to have worked with the new administration, legislative leaders, our communities and a broad range of stakeholders to strengthen our commitment to reducing carbon, while establishing a process at the Public Utilities Commission to ensure reliability and cost affordability for our customers,” Xcel’s Michelle Aguayo wrote.

Several organizations lobbying on health care interests were among the top 10 spenders. They included the Colorado Medical Society, Colorado Trial Lawyers Association and Anthem, the health insurance company. Democrats approved bills aimed at [reducing health care costs](#) through a reinsurance program, curbing prescription drug costs and limiting surprise medical billing.

COPIC, a medical malpractice insurance provider, paid \$200,000 to Nexus Policy Group to lobby in support of two bills, one on renewing professional review committees that impacts doctors, and another creating a process for patients and providers to discuss [adverse health care outcomes](#). Both bills passed.

The Colorado Competitive Council increased its spending 22 percent over 2018, as the business coalition affiliated with the Denver Metro Chamber of Commerce opposed measures on paid family leave, rent control, allowing local governments to set their own minimum wage, and climate-change legislation, among others.

Conservation Colorado paid more than \$84,000 to Denver firm [Green Corps](#) to lobby on a single bill, House Bill 1261 to limit greenhouse gas emissions. The environmental advocacy organization employed other lobbyists, including some of its own employees and Siegel Public Affairs, to support the oil and gas regulation bill, among other legislation. All told, the organization nearly tripled its 2018 lobbying spending to \$180,000.

MORE: [Read more politics and government coverage from The Colorado Sun.](#)

The numbers come from monthly reports filed to the secretary of state’s office by lobbyists. The Sun’s analysis removed payments by lobbying firms to their employees and made best efforts to not double count income resulting from subcontracting, which often skews the totals. The

analysis covers July 2018 through June 2019, a period that includes the six months before the legislative session starts, the session and the time when the governor signs or vetoes bills.

The top lobbyists are a harder target to paint

Determining the top lobbyists is more difficult, because, [as the Sun has reported](#), firms and individuals aren't consistent in how they report subcontracting. Some firms report income from public relations or legal work as well as lobbying, others don't.

Colorado Legislative Services, which took in nearly \$1.8 million, had four lobbyists working on behalf of 35 clients. The most lucrative client: The Colorado Oil and Gas Association, which paid the firm nearly \$110,000.

Brandeberry McKenna Public Affairs ranked second with \$1.5 million in revenue from state-level lobbying, of which more than \$168,000 came from the city of Denver and another \$125,000 came from the Regional Transportation District. That firm employs three lobbyists and listed 34 clients.

The legislature [approved reforms](#) to the lobbyist reporting system in the spring, and the secretary of state's office is working on creating a new software program to accommodate the changes.

The new law requires lobbyists to report new clients and bill positions within 72 hours instead of once a month. It also eliminates loopholes that allowed some lawyers and lobbyists to report payments from law firms instead of clients.

Griswold said the changes should improve transparency. "I am not saying that lobbying is necessarily a bad thing, but money being used to influence politics in the dark is a bad thing," said Griswold, who [worked in Washington, D.C.](#), for Hickenlooper's administration. "So we want to shine light on all the different ways that money is influencing politics, whether it's given directly to a candidate, whether it's funneled through a super PAC, whether it's going through a lobbyist. Coloradans deserve transparency."

Griswold is convening a working group to advise her office on lobbyist reporting. She said the new software system will combine lobbyist reporting with campaign finance, so the public can more easily trace how money is influencing elected officials.

[Trial Opens for Former Obama Aide Accused of Lying About Foreign Lobbying](#)

On the opening day of a criminal trial testing the sweep of a federal law that regulates lobbying for foreign clients, defense lawyers argued that a prominent Washington lawyer accused of lying about his work for Ukraine's government was in fact the victim of overzealous prosecutors.

They said the government had no evidence that the accused lawyer, Gregory B. Craig, had ever intended to deceive Justice Department officials who questioned him in 2012 and 2013 about his work for Ukraine. And they argued that the prosecution's case was based on trivial misstatements he made in a brief letter and a 45-minute interview for which no notes exist.

"Errors are not criminal," William W. Taylor III, one of Mr. Craig's lawyers, argued in his opening statement at the trial in the United States District Court for the District of Columbia. Saying that Mr. Craig "has led an exemplary life," Mr. Taylor added, "If there is one person whose honesty you would put your faith in, it's Greg Craig."

Mr. Craig, 74, is an influential Democratic Party figure who served as White House counsel in the Obama administration's first year. He is accused of making false statements to federal

officials who enforce the Foreign Agents Registration Act, a once-obscure law that requires the disclosure of efforts to influence policy or public opinion on behalf of certain foreign clients. Violations of the law, commonly known as FARA, were central to the investigation of Russian influence in the 2016 election by the former special counsel Robert S. Mueller III, and since then, the Justice Department has sought to vigorously enforce the statute. Mr. Craig's trial is being closely watched, both because of his renown and because prosecutions related to the law have been so infrequent that its reach is unclear.

The trial will also again test the credibility of Rick Gates, President Trump's former deputy campaign chairman, whose cooperation with Mr. Mueller's inquiry helped prosecutors convict Paul Manafort, Mr. Trump's former campaign chairman, for financial crimes and other felonies. The government is expected to call Mr. Gates, who worked with Mr. Manafort as a lobbyist for the Ukrainian government, to testify against Mr. Craig.

Prosecutors accused Mr. Craig of lying to the Justice Department to conceal information that would have damaged his own reputation and the image of his law firm, Skadden, Arps, Slate, Meagher & Flom.

"He could tell the truth and be forthcoming when the Department of Justice asked him questions about his work for a foreign government, or he could lie and conceal," Molly Gaston, an assistant United States attorney, said in her opening statement. "We are here today because the defendant chose to lie."

The trial, which is expected to last about two weeks, turns on Mr. Craig's interactions with American journalists regarding a report that his law firm produced in late 2012 for Viktor F. Yanukovich, then Ukraine's president.

The firm was paid nearly \$4.7 million to examine the corruption trial of Yulia Tymoshenko, Ukraine's former prime minister and a political rival of Mr. Yanukovich. Ms. Tymoshenko's conviction and incarceration had incited a firestorm of criticism in the West and threatened Mr. Yanukovich's hopes for support from Western governments.

Mr. Manafort recruited Mr. Craig in hopes that Ukraine could "leverage the defendant's reputation to improve Ukraine's reputation throughout the world," Ms. Gaston said.

The law firm's report, which ran about 300 pages, found flaws in how Ms. Tymoshenko's trial was conducted, but it concluded that the evidence presented in court supported her conviction.

One of Mr. Craig's law partners advised him that the firm should stick to producing the report and not participate in the Ukrainian government's effort to help shape American public opinion about it. Otherwise, Mr. Craig could be required to register as a foreign agent under FARA, the partner told him. "Good advice," Mr. Craig replied in an email that Ms. Gaston read in court.

Nonetheless, she argued, he agreed to help with Ukraine's news media strategy to introduce the report in late 2012. Mr. Craig's role, she said, involved "seeding the report with a trusted reporter" whose article would then set the tone for other news coverage.

"The defendant's personal involvement was important to the plan, because otherwise, Ukraine would not be getting the benefit of the defendant's reputation," she said.

On Dec. 11, 2012, she said, Mr. Craig delivered an advance copy of the report to the Washington home of David E. Sanger, a New York Times journalist, and volunteered to be interviewed by

him about it. “The Ukrainians have determined that you should be given first look at it,” Mr. Craig wrote to Mr. Sanger.

After [The Times article was published](#), Ms. Gaston noted, Mr. Manafort congratulated Mr. Craig in an email with the subject line “Well done.”

Ms. Gaston said Mr. Craig then falsely told Justice Department officials that he did not initiate contact with any reporters and distributed the report only after it had been officially released. Among other motivations, she said, Mr. Craig did not want to reveal that a Ukrainian oligarch had routed about \$4 million in secret payments for the report through an offshore bank account controlled by Mr. Manafort.

But Mr. Taylor, the defense lawyer, said that Mr. Craig had discussed the report with Mr. Sanger and other Western reporters not to advance the Ukrainian government’s news media strategy but to counteract it.

He said Mr. Craig was furious to learn that Ukrainian officials and their Western media agents were telling journalists that the report proved that Ms. Tymoshenko was not the victim of a political prosecution. In fact, the report addressed only the conduct of the trial, not the motivations behind it.

Mr. Craig knew that the Ukrainian government “was putting out false information, and the lies were being disseminated all over the world,” Mr. Taylor said, adding: “Mr. Craig didn’t think that defending the integrity of the report or correcting the fake news” was furthering Ukraine’s interest.

While Mr. Craig might have made minor misstatements to Justice Department officials, he never intended to mislead them, Mr. Taylor said. “The FARA unit never asked questions that would have elicited the information that the government contends he concealed.”

[How the student loan industry lobbied DeVos to fight state regulations](#)

The Trump administration’s attempts to shield some student loan companies from new state regulations began after the industry waged a furious lobbying campaign, which included the head of student loan giant Navient, emails obtained by POLITICO show.

Jack Remondi, chief executive officer of Navient, personally emailed a top aide to Education Secretary Betsy DeVos, urging the administration to “quickly” declare that states lacked the authority to police the companies that, like his, collect federal student loans.

Remondi and other industry heavyweights were trying to enlist the Education Department’s help to fend off the growing trend of states considering or passing laws to crack down on student loan servicing companies. The states were responding to allegations of misrepresentations and other abuses in the industry, which manages the student loan payments of the nation’s more than 45 million student loan debtors.

Remondi, who called the timing “critical,” told the top DeVos adviser that he was especially concerned about the licensing fees that companies would potentially have to pay to state regulators.

“Today’s federal student loan program is already overly complex, adding state based rules would not be helpful to borrowers or the cost of the program,” Remondi wrote in the September 2017 email to Jim Manning, who was acting undersecretary of the department.

Several months later, the Trump administration agreed to Remondi's request — which had been echoed in other emails sent to the Education Department by industry groups like the Student Loan Servicing Alliance and the National Council for Higher Education Resources.

Morning Education

A daily dose of education policy news — weekday mornings, in your inbox.

EmailSign Up

By signing up you agree to receive email newsletters or alerts from POLITICO. You can unsubscribe at any time.

DeVos in March 2018 [issued a notice](#) declaring that federal law preempts state regulation of companies collecting federal student loans. The move drew criticism from state attorneys general, state banking regulators and the National Governors Association. Consumer advocates argued that states have the right to oversee companies operating within their borders that collect loan payments from their residents.

Student loan servicing companies have long opposed the new wave of state regulations. But the emails outline in new detail the depth of the companies' lobbying campaigns, and the frequent contract between industry insiders and Education Department officials about the issue.

[The trove of more than 2,000 pages of emails outlining the industry lobbying efforts](#) was obtained by POLITICO from the National Student Legal Defense Network, which sued the Education Department to get them under the Freedom of Information Act.

“These emails are proof the Trump Education Department takes its marching orders from the very same servicers that have been failing students,” said Sam Gilford, the group's director of external affairs. “At Navient's urging, Secretary DeVos attempted to give them a virtual get-out-of-jail-free card, hoping to insulate the company from lawsuits brought by state AGs and individual students.”

Navient spokesperson Paul Hartwick said that Remondi's email “requested that the Department of Education reaffirm the federal preemption position originally issued by the Department of Justice and the Department of Education during the Obama administration.”

The Trump administration has said that states can't regulate the companies that collect federal student loans for the sake of nationwide consistency.

“Despite lobbying efforts on both sides of this issue, we've been clear from the beginning that federal student loans are a federal asset and they must be federally regulated,” Education Department spokesperson Liz Hill said on Wednesday. “A piecemeal, state-by-state approach to regulating federal assets causes confusion for borrowers and makes administration of the loan program more complicated and costly.”

Hill added that “Congress gave the Education Department the authority to administer and oversee” federal student loans.

The emails obtained under FOIA also show that the student loan industry debated whether to ask the Trump administration to add student loan preemption to its wide-ranging regulatory agenda.

Winkie Crigler, who led the Student Loan Servicing Alliance, a trade group, sent an email to an Education Department official forwarding a proposal by Navient to add preemption to the regulatory agenda.

But Crigler also noted that she was skeptical about that approach. “I would want to talk to others but I don’t think that we want to debate preemption in neg reg,” she said, referring to the required process by which the Education Department publicly negotiates new regulations with various interest groups.

The guidance that DeVos ultimately issued declaring federal student loans off limits to state regulators isn’t a regulation and it doesn’t have the force of law. The document has been viewed with different levels of significance by the various federal judges who have reviewed it.

The emails also show that Education Department officials were closely monitoring the status of state loan servicing laws before coming out against them.

Crigler was in frequent contact with Kathleen Smith, another DeVos aide, about the progress of the laws in various states, trading intelligence about whether state lawmakers and governors would adopt them, according to the emails.

“These emails convey the concerns SLSA and its members have long had about potential conflicts impacting an inherently federal program and needing to get clarity — so nothing new or different,” Crigler said in an email to POLITICO on Wednesday. “It is the same as we have said in public in many forums.”

The association earlier this year was successful in getting a federal judge to strike down the District of Columbia’s student loan servicing law on the grounds that it interfered with federal law. The D.C. attorney general has dropped his appeal of the case.

But federal courts, including an appeals court, have ruled against the industry on the preemption issue in some other cases.

The state-by-state efforts to crack down on student loan servicers were [buoyed in some cases](#) by Democratic gains in statehouses last November. They’ve been spearheaded by a coalition of liberal groups, consumer advocacy organizations and labor unions.

A handful of states earlier this year defied the Trump administration in passing new laws: Colorado, Maryland, New York and New Jersey this year all adopted new regulation of the industry. California, Connecticut and Illinois previously passed such laws.

The emails also show correspondence between Education Department officials and attorneys for another loan servicer, the Pennsylvania Higher Education Assistance Authority, or PHEAA, as the Trump administration sought to stop Massachusetts from [suing](#) the company.

The administration in January 2018 [filed a statement of interest](#) in state court in Massachusetts that said the state attorney general, Maura Healey, lacked the authority to sue PHEAA because it collects student loans on behalf of the federal government.

PHEAA’s outside counsel, an attorney at the firm Ballard Spahr, was in contact with Education Department attorneys before and after the Trump administration made the filing. And in at least one case, the PHEAA lawyer and the administration appeared to strategize together, according to the emails, some of which are redacted.

“Just circling back, in light of yesterday’s argument and Healey’s statements thereafter,” PHEAA’s Ballard Spahr attorney wrote to a political appointee in the Education Department’s Office of General Counsel. “I have an idea or two to share, if you’re interested.”

The email was sent the day after Healey [publicly blasted](#) the Education Department for having “no business in this case.” The judge in the case ultimately [sided with Healey](#) on the matter, rejecting the Trump administration’s arguments, though the overall case is ongoing.

While the emails overall show close communication between the Education Department and the industry, the Trump administration wasn’t receptive to input from the companies in at least one case.

Bob Eitel, a senior adviser to DeVos, rejected a request in October 2017 for a meeting with an outside lobbyist for Navient to discuss possible changes to how student loans are treated in bankruptcy.

“Unfortunately, my schedule will not permit a meeting at this time,” Eitel responded.