



DEMOCRACY REFORM TASK FORCE WEEKLY NEWS ROUND UP

JANUARY 12, 2018

NATIONAL NEWS

[Trump Sold \\$35M in Real Estate in 2017, Mostly to Secretive Buyers](#)

USA Today

President Trump's companies sold more than \$35 million in real estate in 2017, mostly to secretive shell companies that obscure buyers' identities, continuing a dramatic shift in his customers' behavior that began during the election. In Las Vegas alone, Trump sold 41 luxury condo units in 2017, a majority of which used limited liability companies – corporate entities that allow people to purchase property without revealing all of the owners' names. The trend toward Trump's real estate buyers obscuring their identities began around the time he won the Republican nomination, midway through 2016, according to USA TODAY's analysis of every domestic real estate sale by one of his companies. In the two years before the nomination, 4% of Trump buyers utilized the tactic. In the year after, the rate skyrocketed to about 70%. USA TODAY's tracking of sales shows the trend held firm through Trump's first year in office.

[Trump Administration Waives Punishment for Banks That Trump Owes](#)

International Business Times

The Trump administration has waived part of the punishment for five megabanks whose affiliates were convicted and fined for manipulating global interest rates. One of the Trump administration waivers was granted to Deutsche Bank — which is owed at least \$130 million by President Donald Trump and his business empire, and has also been fined for its role in a Russian money laundering scheme. The waivers were issued in a little-noticed announcement published in the Federal Register during the Christmas holiday week. They come less than two years after then-candidate Trump promised “I'm not going to let Wall Street get away with murder.” Under laws designed to protect retirement savings, financial firms whose affiliates have been convicted of violating securities statutes are effectively barred from the lucrative business of managing those savings. However, that punishment can be avoided if the firms manage to secure a special

exemption from the U.S. Department of Labor, allowing them to keep their status as “qualified professional asset managers.”

[House Dems Press for Subpoenas on Trump Organization Operations](#)

POLITICO

House Democrats are pressing for their Republican counterparts to launch a “serious investigation” and approve subpoenas targeting President Donald Trump’s private company to reveal its operations since its founder and owner entered the White House. The 17 Democratic members of the Oversight and Government Reform Committee said in a letter to the panel’s chairman that they were frustrated by Republicans for failing to dive deeper since Trump a year ago Thursday first rolled out plans to separate himself while in government from his hotel, real estate, golf and branding enterprises. Namely, the lawmakers argued, the president faces “numerous conflicts of interest” and must be called to account for his compliance with a constitutional block on foreign government payments to presidents.... The lawmakers specifically called on Republicans to subpoena the Trump Organization by his one-year inauguration anniversary on Jan. 20 to get more details on a pledge to donate the company’s profits from foreign government officials to the Treasury Department.

[How a Coal Baron’s Wish List Became President Trump’s To-Do List](#)

The New York Times

President Trump’s first year in office has been a boon for the coal industry, with the Trump administration rolling back regulations on coal-fired power plants and withdrawing the United States from the Paris climate change agreement. Environmentalists have expressed alarm at the new direction, and have complained that Mr. Trump was following a blueprint from the coal industry. A confidential memo written by the head of the country’s largest coal mining company suggests they might not be wrong. The memo was written by Robert E. Murray, a longtime Trump supporter who donated \$300,000 to the president’s inauguration. In it, Mr. Murray, the head of Murray Energy, presented Mr. Trump with a wish list of environmental rollbacks just weeks after the inauguration. Nearly a year later, the White House and federal agencies have completed or are on track to fulfill most of the 14 detailed requests.

[Florida \(and Mar a Lago\) to Be Spared in Offshore Drilling Expansion](#)

Roll Call

A plan to open Florida’s tourism-dependent Atlantic and Gulf coasts to offshore oil and gas drilling was dropped by the Trump administration on Tuesday after a bipartisan backlash that also threatened to complicate a must-pass fiscal 2018 spending bill. Interior Secretary Ryan Zinke, whose department on Jan. 4 revealed a draft five-year plan for expanding the sale of federal

offshore drilling leases to the Pacific, Atlantic and Arctic oceans, as well as the eastern Gulf of Mexico, announced Tuesday night on Twitter that Florida's two coasts would not be included in the expansion. "After talking with Gov. Rick Scott, I am removing Florida from the draft offshore plan," Zinke said in the tweet. Zinke had been in the state to talk with the Republican governor, a likely 2018 Senate hopeful, after Scott expressed strong opposition to the new offshore strategy. In a subsequent news release, Zinke said the Trump administration's two purposes in advancing a new offshore strategy were to unleash U.S. energy resources while also listening to local and state voices about the effort. Those words may haunt Zinke; Florida is not the only state or local government opposed to the new plan.

[Kushner's Financial Ties to Israel Deepen Even with Mideast Diplom. Role](#)

The New York Times

Last May, Jared Kushner accompanied President Trump, his father-in-law, on the pair's first diplomatic trip to Israel, part of Mr. Kushner's White House assignment to achieve peace in the Middle East. Shortly before, his family real estate company received a roughly \$30 million investment from Menora Mivtachim, an insurer that is one of Israel's largest financial institutions, according to a Menora executive. The deal, which was not made public, pumped significant new equity into 10 Maryland apartment complexes controlled by Mr. Kushner's firm. While Mr. Kushner has sold parts of his business since taking a White House job last year, he still has stakes in most of the family empire — including the apartment buildings in and around Baltimore. The Menora transaction is the latest financial arrangement that has surfaced between Mr. Kushner's family business and Israeli partners, including one of the country's wealthiest families and a large Israeli bank that is the subject of a U.S. criminal investigation.

[SEC Looks Into Kushner Cos. Over Use of EB-5 Program for Investors](#)

The Wall Street Journal

The Securities and Exchange Commission is investigating the real-estate company run by the family of President Donald Trump's senior adviser and son-in-law Jared Kushner for its use of a federal investment-for-visa program known as EB-5, according to people familiar with the matter. In May 2017, Kushner Cos. received a subpoena from the SEC requesting information about its use of the program, one of these people said. As The Wall Street Journal reported last year, that month the company received a separate subpoena from New York federal prosecutors asking for information about development projects financed in part by the EB-5 program. The SEC probe, which hasn't been previously reported, is being conducted out of the commission's Texas office and in collaboration with federal prosecutors from the Brooklyn U.S. attorney's office, according to another person familiar with it. Spokesmen for the SEC and the Brooklyn U.S. attorney's office declined to comment.

[House Dems Want Mnuchin's Recusal on Trump Finance Questions](#)

Mother Jones

In a new letter, five top Democrats on the House financial services committee, led by ranking member Rep. Maxine Waters (D-Calif.), are demanding Treasury Secretary Steve Mnuchin offer up his agency's resources in tracking financial crimes to investigate possible money laundering by the Trumps and Kushners. The committee's Democrats previously asked Mnuchin to turn over data from Treasury's Financial Intelligence Unit relating to Trump and Kushner investments. Mnuchin didn't respond, but the committee's Democrats now emphasize the importance of probing possible money laundering. The Trump administration has waived part of the punishment for five megabanks whose affiliates were convicted and fined for manipulating global interest rates. One of the Trump administration waivers was granted to Deutsche Bank — which is owed at least \$130 million by President Donald Trump and his business empire, and has also been fined for its role in a Russian money laundering scheme.

[Former Airline Lobbyist to Take Over for Outgoing FAA Chief](#)

The Hill

Daniel Elwell will serve as acting administrator of the Federal Aviation Administration (FAA) starting this weekend, taking over at a critical time for the aviation agency, the Transportation Department said Friday. Elwell, a former Air Force lieutenant general and former commercial airline pilot for American Airlines, is currently the FAA's deputy administrator. He was previously a senior vice president for safety, security and operations with Airlines for America (A4A), the leading trade group representing most of the nation's major airlines. Elwell will replace outgoing FAA Administrator Michael Huerta, who was tapped by former President Obama in 2013 to lead the agency for five years. Huerta's term expires Saturday at midnight. President Trump said at one point last year that whoever permanently leads the FAA after Huerta should be a pilot.

[How Trump's HHS Nominee's Drug Company 'Gamed' a Patent](#)

Politico

When Donald Trump's nominee for HHS secretary was a top executive at Eli Lilly, the patent on its blockbuster Cialis was soon to expire. So Lilly tested it on kids. The drugmaker believed the erectile dysfunction drug might help a rare and deadly muscle-wasting disease that afflicts boys. The drug didn't work — but under a law that promotes pediatric research, Lilly was able to extend the Cialis patent anyway for six months — and that's worth a lot when a medication brings in over \$2 billion a year. Critics say the brand-name drugmakers are "gaming" the patent system, finding all sorts of ways to protect monopolies and delay competition from generics. And Alex Azar — the former president of Eli Lilly's U.S. operations, now poised to become the top U.S. health official — professes to oppose such tactics. But the tension between his past actions as a drug executive

and his likely future as the nation's top health official are evident in both the Cialis story and in Lilly's tripling of the price of insulin.

[Lawsuit: Trump Super PAC Took Illegal Donation from Private Prison](#)

International Business Times

A leading private prison company illegally donated \$225,000 to a political group supporting President Donald Trump during the 2016 election — and the Federal Election Commission (FEC) has failed to address the violation, according to a new lawsuit filed by a government watchdog. The FEC's failure to enforce the law opens the door for government contractors to use campaign cash to influence government policy, a lawyer for the plaintiffs said. One of the donations occurred the day after the Obama administration began to phase out private prisons, a move Trump reversed shortly after moving into the Oval Office. The non-profit Campaign Legal Center (CLC) sued the FEC in federal court Wednesday for not responding to the organization's 2016 complaint against GEO Group, a publicly traded private prison company worth \$2.8 billion that operates 70 correctional facilities across the United States.

[Casino Interests Gave to Indiana's Rokita As He Pushed Bill](#)

Houston Chronicle

An Indiana congressman who has made repeated calls to "drain the swamp" in Washington collected more than \$160,000 in campaign contributions from gambling interest groups that stand to benefit from legislation he is sponsoring, an Associated Press review found. Republican Rep. Todd Rokita's collection of such contributions has surged since 2015, when he first sponsored legislation that would end employee protections for tribal casino workers under the National Labor Relations Act. While not illegal, Rokita's acceptance of the donations gives the appearance of the pay-to-play Washington politics that he has frequently inveighed against during his Indiana GOP Senate primary campaign. The measure, dubbed the Tribal Sovereignty Act, was previously approved by the House but did not advance through the Senate. On Wednesday, the House included it in a larger bill that passed on a 239-173 vote.... Rokita staffers say he's helping Native American workers stand up against union bosses and that he has a long history of supporting legislation to benefit Native Americans. Rokita does not have any recognized Native American tribes within his western Indiana district and collected scant contributions from tribal gambling interests before sponsorship of the Tribal Sovereignty Act in 2015. But since then, he has received at least \$163,250 from roughly two dozen tribes or tribal gambling affiliated groups, according AP analysis of FEC data. About \$8,100 of that comes from a Michigan tribe with a presence in northern Indiana.

[FEC's New Facebook Ad Info Ruling Gives Reformers Little to Like](#)

MapLight

A December Federal Election Commission ruling will require Facebook ads to let internet users know which organizations are behind election advertisements -- but won't do much to let them know who actually paid for the ads. Last month, the five members of the commission ruled that election ads on Facebook must contain disclaimers revealing who paid for them. The decision occurred in the wake of revelations that Russian groups used the social network to boost Donald Trump's successful 2016 presidential campaign. But the new rule may not mean much in practice since it won't apply to digital political advertisements on other websites. Eli Kaplan, founding partner of the D.C.-based digital advertising firm Rising Tide Interactive, said that requiring disclaimers on all online election ads still would fall short of full transparency for digital ads. "Don't get me wrong, it's great to have disclaimers on ads," said Kaplan, whose firm has created material for Planned Parenthood, the Democratic Governors Association and 2016 Democratic presidential nominee Hillary Clinton. "But it's not easy to see what's swirling around on the internet, so the odds of somebody taking a screenshot of that ad with that disclaimer and somehow figuring out this group is spending this amount of money is incredibly unlikely."

[Contrary to His Claims, Kobach Not Part of New Voter Fraud Investigation](#)

The Kansas City Star

A spokesman for the U.S. Department of Homeland Security said Monday that Kansas Secretary of State Kris Kobach would not be advising the agency as it investigates voter fraud despite his claims that he would be involved. President Donald Trump officially disbanded his voter fraud commission last week in the face of a flood of lawsuits and resistance from states to a massive data request sent out by Kobach, the commission's vice chair, in June. The administration said the Department of Homeland Security would study the issue instead of the commission. Kobach, a candidate for governor, told The Star last week that he would "be working closely with DHS and the White House as the investigation moves forward." He said that the agency would be looking for non-citizens on the voter rolls, an issue that Kobach has heavily promoted during his seven years as Kansas secretary of state.

IN THE STATES

[Court Voids N.C. Congressional Map for Partisan Gerrymandering](#)

The Washington Post

A federal court on Tuesday ruled that Republicans in North Carolina unconstitutionally gerrymandered congressional districts in 2016 to ensure Republican "domination of the state's

congressional delegation.” The three-judge panel struck down the map and ordered the state’s General Assembly to come up with a substitute by Jan. 24. The decision was the first striking down of a congressional map, as opposed to a state legislative map, on the grounds that it was rigged in favor of a particular political party. Redistricting has historically been political and partisan to one degree or another. While courts have invalidated redistricting plans, including ones in North Carolina, as racially discriminatory, judicial objection to gerrymandering for partisan gain is relatively new territory, with legal standards unsettled by the U.S. Supreme Court. The court has never struck down a redistricting plan based on partisan gerrymandering.

[D.C. Council Unanimously Votes for Public Campaign Financing](#)

The Washington Post

The D.C. Council unanimously backed publicly financed campaigns Tuesday, a move lauded by clean-government advocates in a city long plagued by its association with a pay-to-play culture. Supporters say the program will open local politics to new candidates, increase the power of small donors and reduce the influence of deep-pocketed campaign contributors. But critics — most notably Mayor Muriel E. Bowser (D) — say the program, estimated to cost D.C. taxpayers \$5 million a year, will waste precious funds.... If the D.C. Council approves the measure in a final vote expected next month, the District would join nearly 30 other jurisdictions — including Montgomery County, New York City and San Francisco — with a public finance system.

**Related Story: [Bowser Comes Out Against Public Financing of Political Campaigns.](#)*

[Maine Clean Election Fund Needs Another \\$1.7M for Solvency in 2018](#)

Bangor Daily News

The Maine Ethics Commission has asked the Legislature for an additional \$1.7 million to cover the cost of this year’s taxpayer-funded elections, which it expects could cost up to \$11 million. LD 1780, which was unveiled in Tuesday’s House of Representatives calendar on behalf of the commission, is straightforward: It requests a transfer from unappropriated surplus funds to the Maine Clean Election Fund “in order to ensure that adequate funds are available to candidates participating in the Maine Clean Election Act.” Paul Lavin, the commission’s assistant director, said it remains unclear which and how many publicly funded candidates will be on the primary and general election ballots this year, but the commission estimates it could need approximately \$11 million to cover everyone. The Maine Clean Election fund currently contains about \$6.4 million and is due for another \$3 million in June. A 2015 referendum on campaign finance reform directed the Legislature to appropriate \$6 million to the fund every two years.

KEY OPINION

[Refocusing Our Politics on the Issues That Matter](#)

The Hill (Op-Ed by former Rep. Zach Wamp)

Every freshman member of Congress packs their bags for Washington already envisioning the more perfect republic they seek to build. They all know it may take time, hard work, and compromise, but nothing good ever comes easy. But the Washington that waits for them is different. Where freshman members expect to enter storied halls for deliberation, reason, and thought, they find a nonstop call center. Dialing for dollars, either for re-election or to help the party, starts early and eats up dozens of hours every week, and representatives who would rather focus on working with their colleagues to address the issues that brought them to the capital in the first place are in for a rough time. Lawmakers who don't pick up the phone find themselves skipped over for key committee appointments or last in line for party support when the next election rolls around.... When lawmakers have to raise money to stay above water and face unrelenting special interest pressure, it should come as little surprise that there's not much time left for the unglamorous business of governing. What starts in Congress doesn't stay there, for better or worse. The gridlock in the House and Senate holds up conversations about the things that matter to all Americans: safety, health and happiness for their families.

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