



DEMOCRACY REFORM TASK FORCE WEEKLY NEWS ROUND UP

JANUARY, 26 2018

NATIONAL NEWS

[Trump Backed Off Firing Mueller When Counsel Threatened to Quit](#)

The New York Times

President Trump ordered the firing last June of Robert S. Mueller, III, the special counsel overseeing the Russia investigation, according to four people told of the matter, but ultimately backed down after the White House counsel threatened to resign rather than carry out the directive. The West Wing confrontation marks the first time Mr. Trump is known to have tried to fire the special counsel. Mr. Mueller learned about the episode in recent months as his investigators interviewed current and former senior White House officials in his inquiry into whether the president obstructed justice.

[Judge Seems Open to Emoluments Suit Against Trump](#)

POLITICO

President Donald Trump managed to defeat the first lawsuit challenging his receipt of business profits while in office, but knocking out the second case over his alleged violations of the Constitution's emoluments clauses may not be so easy. As a daylong hearing on that second suit kicked off in a Maryland courtroom Thursday, U.S. District Court Judge Peter Messitte repeatedly indicated he wasn't persuaded by aspects of a ruling a fellow judge in New York City issued last month dismissing a high-profile case over Trump's refusal to divest his business holdings. Messitte said he thought U.S. District Court Judge George Daniels was too quick to cast aside arguments that competitors to Trump's businesses have legal standing to challenge benefits he's receiving from his hotels, buildings and other ventures.

[Trump Business Ethics Pledges Left Plenty Room for Profiting](#)

The Associated Press

Among the many promises Donald Trump made a year ago to assure people he wouldn't profit off his presidency, one stood out for its boldness: a pledge to donate the profits from any foreign governments staying in his namesake hotels to the U.S. Treasury. Today, after a year in which groups associated with foreign governments have booked rooms, hosted events and spent thousands of dollars at the president's hotel in Washington, no such payments to the Treasury have been made. Trump officials, who have openly questioned how closely they should scrutinize their guests, initially pledged to make a payment at the end of 2017 and now say they would have "information to share" near the end of next month. An Associated Press analysis of the promises Trump made to draw a "red line" between his businesses and his administration found that, while he has kept to the letter of many pledges, he has exploited the vague language of others, creating at least the appearance that he's profiting off his presidency.

**Related Story: [Trump Gala at Mar-a-Lago on Saturday Night Again Rents A Ballroom from Trump.](#)*

[Companies That Funded Trump's Inauguration Came Up Big in 2017](#)

OpenSecrets

President Donald Trump's inaugural committee raised a record \$107 million with the help of wealthy benefactors but also through donations from more than 200 corporations and anonymous LLCs, some of which held government contracts. On the one-year anniversary of Trump's inauguration, OpenSecrets took a look at the 63 federal contractors that collectively contributed \$16.3 million to finance the festivities to see how they've fared in the first year of his presidency. Some have received lucrative contracts; others have shed executives who now sit among Trump's political appointees; and still others have earned an unprecedented level of access to the new administration. Of the 63 federal contractors that donated to the inauguration, more than half won multimillion-dollar bids in 2017, federal records show. Six companies earned contracts last year after not receiving any awards in 2016. Federal law forbids government contractors from making contributions to candidates and political action committees. However, there is no such rule against contributions to post-election activities like the presidential inauguration, a loophole that allows contractors to dole out unlimited donations in hopes of bolstering their chances of landing contracts with the new administration.

[Watchdog: Payment to Porn Star Was Illegal Donation to Trump Campaign](#)

POLITICO

A watchdog group filed a pair of complaints on Monday alleging that a \$130,000 payment reportedly made to a pornographic film actress who claims to have had an affair with Donald Trump violated campaign finance laws. In submissions to the Justice Department and the Federal Election Commission, Common Cause said the alleged payment to Stephanie Clifford

— who uses the stage name Stormy Daniels — amounted to an in-kind donation to Trump's presidential campaign that should have been publicly disclosed in its official reports. An attorney for Common Cause, Paul Ryan, said the payment appeared to be hush money. He compared the situation to the series of events that resulted in the prosecution of former Sen. John Edwards (D-N.C.) over nearly \$1 million in payments allegedly made to cover up an affair he had with videographer Rielle Hunter during his 2008 presidential bid.

[Trump Allies Profit from Outside Groups, Testing Campaign Finance Laws](#)

BuzzFeed

President Donald Trump's close political advisers are making millions of dollars working for several different entities gearing up for Trump's reelection campaign — raising questions about whether they are following campaign finance laws designed to keep campaigns from coordinating with big-money outside groups.... Campaigns and party committees are not allowed to coordinate with allied outside groups that are supposed to be independent, such as super PACs and nonprofits. But the Federal Election Commission, which is governed by a board of three Republicans and three Democrats and usually deadlocks on issues, has hardly enforced that rule. In the 2016 election, candidates and their allied groups took advantage of those blurred lines to raise and spend millions of dollars.... Now, that pattern is continuing, based on new fundraising reports filed Wednesday with the FEC.

[Jared Kushner Is China's Trump Card](#)

The New Yorker

One visitor who came more than once was Cui Tiankai, the Chinese Ambassador to the United States, a veteran diplomat with a postgraduate degree from Johns Hopkins University. When, during previous Administrations, Cui had visited the White House, his hosts received him with a retinue of China specialists and note-takers. Kushner preferred smaller gatherings.... He often excluded the government's top China specialists from his meetings with Cui, a slight that rankled and unnerved the bureaucracy.... But Cui's frequent encounters with Kushner made some people in the U.S. government uncomfortable. On at least one occasion, they met alone, which counterintelligence officials considered risky.... Some officials who were not invited to Kushner's sessions or briefed on the outcomes resorted to scouring American intelligence reports to see how Chinese diplomats described their dealings with Kushner.

[CFPB Drops Investigation Into Payday Lender and Mulvaney Contributor](#)

International Business Times

Mick Mulvaney's Consumer Financial Protection Bureau (CFPB) quietly closed an investigation into a payday lender headquartered in Mulvaney's home state Monday. The company

previously donated to the former congressman's political campaigns.... Payday lender World Acceptance Corporation announced in a press release Monday that it received a letter from the CFPB stating that the financial watchdog had closed its nearly four-year investigation into the company's marketing and lending practices. The company, which is headquartered in South Carolina, has given at least \$4,500 in campaign donations to Mulvaney, who represented South Carolina in the House for six years before becoming President Donald Trump's budget director last year.... The CFPB did not immediately respond to IBT's requests to confirm it closed the investigation. The investigation followed a 2013 report by ProPublica and Marketplace that found World Acceptance Corporation issued loans that were "deceptively expensive" and packaged with "nearly useless insurance products" while trapping borrowers in a "debt cycle."

[Interior Secretary Zinke Held Onto Undisclosed Shares in Gun Company](#)

The Huffington Post

Interior Secretary Ryan Zinke is a shareholder in a private Montana company that manufactures and sells firearms and advanced weapons materials, a financial interest he did not disclose when nominated last year. In response to inquiries from HuffPost, both Zinke and the company, PROOF Research Inc., confirmed the secretary's holdings, though the dollar value placed on them varied. This previously undisclosed holding comes to light after numerous decisions in his first year in office that benefited the hunting and gun industries. PROOF Research Inc. was first established in 2011 in Zinke's hometown of Whitefish, Montana, under the name Extreme Precision Armaments Inc. The company specializes in the production of lightweight rifles with high-precision carbon fiber barrels for hunting and military applications and was born as a merger of four smaller firearms and gun parts companies. It later changed its name to PROOF Research Inc. and moved to the nearby town of Columbia Falls.

[Top Dem Presses Trump Health Official on Potential Ethics Violation](#)

The Hill

Sen. Ron Wyden (D-Ore.) says it appears a senior Trump administration health official has violated her ethics agreement by reviewing applications from states that employed her consulting firm. Wyden, the top Democrat on the Senate Finance Committee, sent a letter to the Department of Health and Human Services general counsel on Friday pressing for answers about the ethics agreement of Seema Verma, the administrator of the Centers for Medicare and Medicaid Services (CMS). The letter cites evidence that Verma was involved in reviewing waiver applications from three states that were clients of her consulting business, SVC Inc., which it says appears to violate the terms of her ethics agreement.

[After Scoring Huge Tax Cuts, Charles Koch Floods Ryan With Cash](#)

International Business Times

In the months leading up to the passage of the Republican Party's long-awaited tax bill last year, the powerful political operation run by the billionaire Koch brothers was one of the strongest forces pressuring lawmakers to pass massive tax cuts for wealthy individuals and corporations.... Thirteen days after the U.S. House passed its version of the tax legislation, Charles Koch and his wife, Elizabeth, combined to donate nearly \$500,000 to House Speaker Paul Ryan's joint fundraising committee, according to a new campaign finance report released Thursday. These two donations were by far the largest sums added to Ryan's coffers in the fourth quarter of 2017, but they were by no means the only major contributions: Marlene Ricketts, the wife of billionaire TD Ameritrade founder Joe Ricketts, donated \$100,000, as did five other individuals.... In addition, of the roughly \$5 million Ryan received in the 4th quarter of 2017, more than \$330,000 arrived in the two days after the House passed the tax bill.

[Judge Tosses 7 of 18 Counts Against Menendez and Melgen](#)

POLITICO

A federal judge has acquitted Democratic Sen. Robert Menendez and co-defendant Salomon Melgen on seven of the 18 counts they were tried on last year, just days after the Justice Department announced its intent to try the duo again after the jury deadlocked in the first trial.... U.S. District Court Judge William Walls, who came under criticism from Menendez also announced he will not preside over the retrial. The case has not been assigned to another judge yet, nor has a trial date been set.... Despite the judge's decision, Menendez faces the prospect of another bribery trial just as he begins his campaign for another Senate term.... Four of the acquitted counts applied just to Menendez, who will now face nine counts, while three applied to Melgen, who will face eight. Melgen also faces decades in prison for Medicare fraud.

[How the GOP Rigs Elections](#)

Rolling Stone

Even the recent Democratic victories foreshadow some of the problems the party may face in 2018. In Alabama, Jones defeated Moore by 1.5 percentage points but carried only one of seven congressional districts. In Virginia, Democratic candidates for the House of Delegates won 224,000 more votes than Republicans but were still denied a majority. A Virginia-like result would produce few gains for Democrats in more heavily gerrymandered states like Wisconsin. Democrats need to win 57 percent of the statewide vote there, an almost impossible number, to take back the state Legislature in 2018, says Nicholas Stephanopoulos, a law professor at the University of Chicago..... Nationally, Democrats must win the popular vote for the House of Representatives by eight points to get a bare majority of seats. That might be doable given the unpopularity of Trump, but Democrats still worry about facing a rigged system. "If you have a wave election in 2018, it's entirely possible Democrats could win a significantly greater number

of votes and not have the Congress that reflects that wave," says Holder. And that's not how democracy is supposed to work. Hanging in the balance are basic rights for millions of Americans – the right to vote, the right to fair representation, the right to not have elections auctioned to the highest bidder. Welcome to the 2018 election season.

[In a First, Google Outspent Every Other Company in Lobbying in 2017](#)

The Washington Post

Google for the first time spent more than any other company in 2017 to influence Washington, highlighting both the sprawling reach of the country's thriving tech industry and the rising concern by regulators and lawmakers of its ascendance.... All told, the search giant broke its own record by allocating more than \$18 million to lobby Congress, federal agencies and the White House on issues such as immigration, tax reform, and antitrust. It also spent money to weigh in on an effort by lawmakers and regulators to regulate online advertising, which is at the core of Google's business, according to disclosures filed to the Senate Office of Public Records.... The nonpartisan Center for Responsive Politics said Tuesday no technology firm had ever claimed the top spot since it began tracking lobbying expenditures by individual companies in 1998.... Google was not the only tech giant to ramp up spending in the nation's capital. Facebook, Amazon and Apple all broke their own company records by pouring money into lobbying operations. Facebook increased spending by 32 percent in 2017 over the previous year, while Apple increased its expenditures by 51 percent. Combined, the four companies devoted about \$50 million toward lobbying efforts during President Trump's first year in office.

[How Hedge Funds \(Secretly\) Get Their Way in Washington](#)

Bloomberg

Over the past two decades, hedge funds have grown explosively, with a collective \$3.4 trillion under management. Not content to make bets and watch from the sidelines, the largest funds increasingly are trying to steer government outcomes—such as negotiations over sovereign debt—so that their investments are likelier to pay out. When billions are at stake on a given wager, a lobbying campaign looks cheap. But hedge funds know that they're politically toxic—portrayed by both parties as overpaid plutocrats—and prefer that much of these offensives be conducted in secret. That's where DCI comes in, providing credible-seeming voices to speak up for the funds' interests—voices like Glassman's. It's not illegal, but it undermines basic principles of transparency and trust. Since the work is concealed, there's no way to know for sure how many hedge funds are leveraging Washington to benefit their portfolios. But interviewing insiders and scouring public records, Bloomberg Businessweek identified six major influence campaigns waged on behalf of investors in a particular stock or bond since 2006. DCI, it turns out, coordinated all six.

['Democracy in America?': Interview with Ben Page and Martin Gilens](#)

Bloomberg

If democracy means government responsiveness to what majorities of citizens want, we present strong evidence that in recent years, the United States has not been very democratic at all. Our analysis of some 2,000 federal government policy decisions indicates that when you take account of what affluent Americans, corporations and organized interest groups want, ordinary citizens have little or no independent influence at all. The wealthy, corporations and organized interest groups have substantial influence. But the estimated influence of the public is statistically indistinguishable from zero. Moreover, if you simply look at how often ordinary Americans get policy changes they want, you see that they are frequently thwarted. Even big majorities — 60 to 80 percent of Americans — get the policy changes they want only about 40 percent of the time. This has real consequences. Millions of Americans are denied government help with jobs, incomes, health care or retirement pensions.

IN THE STATES

[Pennsylvania Congressional District Map Is Ruled Unconstitutional](#)

The New York Times

Pennsylvania's congressional district map is a partisan gerrymander that "clearly, plainly and palpably" violates the state's Constitution, the State Supreme Court said on Monday, adding to a string of court decisions striking down political maps that unduly favor one political party.... The court banned the current map of the state's 18 House districts from being used in this year's primary and general elections, and ordered that a new map be submitted to the court by Feb. 15. But the state's Republican-dominated Legislature, which approved the current map in 2011, has already said it would try to overturn such a decision in federal court. That would set up another legal battle over gerrymanders in a year already filled with them.... But an appeal to the federal courts would very likely fail, election experts said, because decisions based solely on interpretations of state law — as this one appears to be — are generally beyond the reach of federal judges.... For the same reason, the state court's decision has no direct bearing on a string of challenges to partisan gerrymanders that are already moving through the federal court system. Earlier this month, in fact, a divided panel of three federal judges left intact the same Pennsylvania House map that the state court threw out on Monday.

[Florida Voters to Restore Voting Rights to Over 1M Former Felons](#)

Think Progress

Florida voters will have a chance to restore voting rights to more than 1 million former felons through a ballot initiative this November. The proposed constitutional amendment on Tuesday reached the 766,200 petition signatures required to go on the ballot. The Voting Restoration Amendment, which the state is expected to certify soon, would automatically restore rights to citizens convicted of most non-violent crimes who have completed their prison sentence, parole, and probation. Only those convicted of murder or felony sexual offense would be excluded. If approved with 60 percent of the vote in November, the amendment has the potential to reshape electoral politics in Florida, a critical swing state, and set the example for other states grappling with whether to relax strict laws prohibiting people with criminal convictions from voting. Florida currently has one of the strictest felon disenfranchisement laws in the country — only Florida, Kentucky, Virginia, and Iowa permanently bar those with felony convictions from voting for life, unless they seek clemency. In total, roughly 1.6 million Florida citizens — about one in four African Americans — are barred from casting a ballot.

[Vouchers Changed Campaign Finance in the City of Seattle in One Cycle](#)

The Campaign Legal Center

Last November, Seattle's Democracy Voucher program completed its first election, and post-election analyses to date have been extremely encouraging. Consistent with the initial signs of success, the numbers continue to show that 2017 donors in Seattle were more numerous, more diverse, and younger than ever before. These results didn't happen on their own. The diverse coalition of Seattleites who gave to candidates was a result of extensive community outreach by the Seattle Ethics and Elections Commission. This trailblazing program — and the efforts that catapulted it to success — should inspire cities across the country who agree that elections should be financed by the people, not by an unrepresentative handful of wealthy residents.

[Why Is D.C.'s Mayor Against Limiting Money's Power in D.C. Politics?](#)

The Washington Post

Dogged for much of its five-decade history by political scandal, the D.C. government is forging ahead with ambitious changes to its election laws and campaign finance regulations.... But one elected official is conspicuously absent among those pushing against the status quo: Mayor Muriel E. Bowser (D), whose stance toward bills designed to reduce the influence of money in politics has ranged in recent months from silence to open opposition.... The position Bowser has staked out is surprising for the leader of a progressive city — all the more so because the campaign finance rules advanced by the D.C. Council have been widely adopted elsewhere.... Her approach highlights both the mayor's individual view of the role money plays in politics and her freedom to express that view as she seeks reelection, with no serious challengers yet to

emerge and with the Democratic primary in this overwhelmingly Democratic city only five months away.... Bowser has proved herself a prodigious fundraiser, bringing in approximately \$3.6 million for her 2014 mayoral campaign. In December, she reported that she had collected \$1.4 million during the first 80 days of her reelection campaign.... The mayor has also faced persistent concerns during her first term about donors' influence at City Hall.

[Bill Targets Big Money in Oregon Politics](#)

KTVZ (Online)

Lawmakers will introduce a bill next month that aims to empower small donors in Oregon elections. Under House Bill 4076, known as the Small Donor Elections bill, state legislative candidates would agree only to accept donations of \$250 or less. In exchange, the donations would be matched 6-to-1 through limited public funds. That means a \$10 donation would be worth \$70. Kate Titus, executive director of the government accountability group Common Cause of Oregon, says candidates could shift their focus away from big political donors with this bill. But she notes cost is a hurdle. "The cost, I think, has kept us from putting this reform in place in more places," says Titus. "But really it's a bargain to use small amounts of public funds strategically in this way, so that we can own the election system ourselves and not let it be bought and paid for by special interests." Cities around the country have adopted small donor public-financing systems for elections, including Portland in 2016.

KEY OPINION

[Lobbyists Romp in Trump's Washington](#)

The New York Times (Editorial)

The numbers compiled by the Center for Responsive Politics, a nonpartisan organization that tracks money in American politics, might not seem surprising. The amount spent on lobbying during the first nine months of Donald Trump's presidency, it found, was higher than in any corresponding period since 2012. A new administration would attract a new wave of lobbying, you would think. Except that Mr. Trump promised something different. "For too long, a small group in our nation's capital has reaped the rewards of government while the people have borne the cost," he said in his Inaugural Address. "Washington flourished — but the people did not share in its wealth." Washington, though, has continued to flourish, and Trump himself has reaped some of the rewards. A new report from Public Citizen, a nonpartisan government watchdog, documents more than 60 examples of lobbying groups, foreign governments and corporate interests holding parties and meetings in Trump family properties, including that beacon for Washington lobbyists, the Trump International Hotel in D.C.

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