



## DEMOCRACY REFORM TASK FORCE WEEKLY NEWS ROUND UP

June 15, 2018

### NATIONAL NEWS

#### [Judge in Emoluments Case Questions Defense of Trump's Hotel Profits](#)

##### **The New York Times**

A federal judge on Monday sharply criticized the Justice Department's argument that President Trump's financial interest in his company's hotel in Washington is constitutional, a fresh sign that the judge may soon rule against the president in a historic case that could head to the Supreme Court. The plaintiffs in the lawsuit, the District of Columbia and the state of Maryland, charge that Mr. Trump's profits from the hotel violate anti-corruption clauses of the Constitution that restrict government-bestowed financial benefits, or emoluments, to presidents beyond their official salary. They say the hotel is siphoning business from local convention centers and hotels. The judge, Peter J. Messitte of the United States District Court in Maryland, promised to decide by the end of July whether to allow the plaintiffs to proceed to the next stage, in which they could demand financial records from the hotel or other evidence from the president.

*\*Related Story: [As Trumps Return to Dominican Development, Original Buyers, Watchdogs Cry Foul.](#)*

#### [NY Attorney General Sues Trump Foundation Over Self-Dealing](#)

##### **The New York Times**

The New York State attorney general's office filed a scathingly worded lawsuit on Thursday taking aim at the Donald J. Trump Foundation, accusing the charity and the Trump family of sweeping violations of campaign finance laws, self-dealing and illegal coordination with the presidential campaign. The lawsuit, which seeks to dissolve the foundation and bar President Trump and three of his children from serving on nonprofit organizations, was an unprecedented rebuke of a sitting president. The attorney general also sent referral letters to the Internal Revenue Service and the Federal Election Commission for possible further action, adding to Mr. Trump's extensive legal problems. The lawsuit, filed in State Supreme Court in Manhattan, culminated a nearly two-year investigation of Mr. Trump's charity, which became a subject of scrutiny during and after the 2016 presidential campaign. While such foundations are supposed

to be devoted to charitable activities, the complaint asserts that Mr. Trump's was often used to curry political favor or settle legal claims against his various businesses, and even spent \$10,000 on a portrait of Mr. Trump that was hung at one of his golf clubs.

## [Company Owned by Chinese Government Awarded Contract to Trump](#)

### **McClatchy DC**

A major construction company owned by the Chinese government was awarded another contract this week to work on the Trump golf club development in Dubai, further raising questions about potential conflicts of interest between Donald Trump's presidency and his vast real estate empire. Trump vowed his family business would not engage in any transactions with foreign government entities while he serves as president but the contract is just the latest in a series of business transactions involving his company and the Chinese government.

Trump's partner, DAMAC Properties, awarded a \$19.6 million contract to China State Construction Engineering Corp. for road and infrastructure work as part of the residential piece of Trump World Golf Club Dubai project called Akoya Oxygen. The development is expected to open later this year. CSCEC was awarded a \$32 million contract to build a six-lane road in early 2017, just as Trump was inaugurated, McClatchy reported in September. It was hired in February to construct one of the buildings at a cost of \$163 million.

## [Trump Suggested That North Korea Should Build Condos On Its Beaches](#)

### **BuzzFeed**

Donald Trump suggested that North Koreans build condos on their "great beaches" in an at-times off-the-wall press conference following his historic meeting with Kim Jong Un. The president had just concluded an unprecedented summit with the North Korean leader that ended with them signing an agreement to establish new relations for "peace and prosperity" between the US and North Korea. But things started to get weird at Trump's 65-minute press conference that followed. When challenged on the future of the North Korean people, Trump said that he had made a suggestion to Kim that he uses the country's "great beaches" for real estate. "I said, boy, wouldn't that make a great condo," Trump said. "You see that whenever they're exploding their cannons into the ocean."

## [White House Seeks to Block Senate Bid to Kill ZTE Deal](#)

### **The Wall Street Journal**

The White House moved to protect its deal with Beijing to rescue ZTE Corp, taking steps to head off a bipartisan effort to use a must-pass defense bill to reinstate a ban on sales of U.S. components to the Chinese telecommunication company. A senior White House official said Wednesday that the administration would try to remove Senate language that severed a lifeline President Donald Trump's administration had extended to the company.

## [Who Is Behind Trump's Links to Arab Princes? A Billionaire Friend](#)

### **The New York Times**

The billionaire financier Tom Barrack was caught in a bind. In April 2016, his close friend Donald J. Trump was about to clinch the Republican presidential nomination. But Mr. Trump's outspoken hostility to Muslims — epitomized by his call for a ban on Muslim immigrants — was offending the Persian Gulf princes Mr. Barrack had depended on for decades as investors and buyers. "Confusion about your friend Donald Trump is VERY high," Ambassador Yousef al-Otaiba of the United Arab Emirates emailed back when Mr. Barrack tried to introduce the candidate, in a message not previously reported. Mr. Trump's image, the ambassador warned, "has many people extremely worried." Not deterred, Mr. Barrack, a longtime friend who had done business with the ambassador, assured him that Mr. Trump understood the Persian Gulf perspective. "He also has joint ventures in the U.A.E.!" Mr. Barrack wrote in an email on April 26. The emails were the beginning of Mr. Trump's improbable transformation from a candidate who campaigned against Muslims to a president celebrated in the royal courts of Riyadh and Abu Dhabi as perhaps the best friend in the White House that their rulers have ever had.

## [Pence Turns Office Into Gateway for Lobbyists to Influence Trump Admin](#)

### **The Washington Post**

Vice President Pence has transformed his office into a new entry point for lobbyists seeking to influence the Trump administration across federal agencies, according to federal records and interviews. About twice as many companies and other interests hired lobbyists to contact the vice president's office in Pence's first year than in any single year during the tenures of Vice Presidents Joe Biden and Richard B. Cheney, filings show. Among those lobbying Pence and his staff were representatives of major drug companies and energy firms, as well as businesses seeking favorable tax treatment. Many others have contacted his office on more obscure regulatory matters such as a Medicare billing dispute, technology regulations at the Department of Education and regulations at the Consumer Product Safety Commission, the records show.

## [Prosecutors Investigating Cohen for Possible Illegal Lobbying](#)

### **The Wall Street Journal**

Federal prosecutors in Manhattan are investigating whether Michael Cohen, the longtime personal lawyer for Donald Trump, illegally engaged in secret lobbying, people familiar with the investigation said, as part of the government's broader probe into Mr. Cohen's business dealings. In the course of that investigation, the prosecutors have contacted companies that hired Mr. Cohen as a consultant after Mr. Trump won the 2016 presidential election.

## [Attorneys for Cohen, Trump's Lawyer, Are Quitting His Case](#)

### **The Wall Street Journal**

The attorneys for Michael Cohen, President Trump's longtime personal lawyer, are expected to stop representing him in the criminal investigation into his business dealings, according to a person familiar with the matter. Mr. Cohen's attorneys are reviewing more than 3.7 million documents federal prosecutors seized in an April raid of Mr. Cohen's home, office and hotel room to designate which communications they see as protected by attorney-client privilege, ahead of a Friday deadline set by Judge Kimba Wood of the Southern District of New York.

## [Mueller Unveils More Proof Manafort Led Ukraine Lobbying in U.S.](#)

### **POLITICO**

Special counsel Robert Mueller made public new evidence Tuesday that former Trump campaign chairman Paul Manafort directed an organized but unregistered lobbying campaign in the U.S. on behalf of Ukrainian President Viktor Yanukovich. In a public court filing, Mueller's team released two memos from 2013 detailing Manafort's involvement in efforts to influence debate in Congress and in the U.S. press about the imprisonment of Yanukovich's main political rival, Yulia Tymoshenko. Manafort is facing a September trial on charges that he violated the Foreign Agents Registration Act by failing to register with the Justice Department in connection with the lobbying campaign, among other charges.

## [Jared, Ivanka Made at Least \\$82 Million in Outside Income Last Year](#)

### **The Washington Post**

Ivanka Trump and Jared Kushner brought in at least \$82 million in outside income while serving as senior White House advisers during 2017, according to financial disclosure forms released Monday. Trump earned \$3.9 million from her stake in the Trump International Hotel in Washington and more than \$2 million in severance from the Trump Organization, while Kushner reported over \$5 million in income from Quail Ridge, a Kushner Cos. apartment complex acquired last year in Plainsboro, N.J. The filings show how the couple collects immense sums from other enterprises while serving in the White House, an extraordinary income flow that ethics experts have warned could create potential conflicts of interests.

*\*Related Story: [Kushner's 2017 Apartment Deal Shows Turn Toward Israeli Firms.](#)*

## [Pruitt, Under Fire, Plans to Initiate a Big Environmental Rollback](#)

### **The New York Times**

Scott Pruitt, the head of the Environmental Protection Agency, is expected on Friday to send President Trump a detailed legal proposal to dramatically scale back an Obama-era regulation on water pollution, according to a senior E.P.A. official familiar with the plan. It is widely expected to be one of his agency's most significant regulatory rollback efforts. And, as soon as Monday, the same official said, Mr. Pruitt is expected to publish another major change: his agency's legal proposal to gut President Barack Obama's rule to reduce climate-warming pollution from vehicle tailpipes. That proposal risks triggering a court battle with California and raises the prospect that the American car market could be split in two, with different groups of states enforcing different pollution rules. Mr. Pruitt's two moves come as he is dogged by allegations of legal and ethical violations and is seeking to burnish his reputation in the eyes of his boss, the president. While Mr. Pruitt has initiated the rollback of dozens of environmental rules over the past year and a half, the latest one-two push comes as he is battling allegations that he improperly used his government post to secure a job for his wife.

*\*Related Story: [Pruitt's EPA Has Stalled Production of Public Records.](#)*

*\*Related Story: [Major Trump Donor Helped Pruitt Pick EPA Science Advisers.](#)*

*\*Related Story: [Pruitt Tapped Aide, Donors to Help Wife Land Job at Conservative Group.](#)*

*\*Related Story: [Pruitt Enlisted Aides to Help Daughter Get into Law School, Gain Internship.](#)*

*\*Related Story: [For Pruitt Aides, the Boss's Personal Life Was Part of the Job.](#)*

*\*Related Story: [Democrats Ask FBI, Justice Department to Investigate Scott Pruitt.](#)*

## [Web of Elite Russians Met with NRA Execs During 2016 Campaign](#)

### **The Associated Press**

The Justice Department is opening up about the advice it has given to lobbyists who work for foreign governments and political interests. For the first time, the public is able to read advisory opinions the department has issued to lobbyists, public relations professionals and others about whether they need to register under the Foreign Agents Registration Act, or FARA. The department had kept the opinions secret for decades, a point of contention for transparency advocates and lawyers who specialize in advising clients on complying with the law. The opinions provide an unprecedented view into the thinking of a specialized Justice Department unit whose influence has grown in recent years, propelled by more aggressive enforcement and a special counsel investigation focused on foreign influence operations inside the U.S.

## [Study on Public Health Effects of Mining Cancelled After Interior Department Official Met with Mining Industry](#)

### **Pacific Standard**

Records obtained by Pacific Standard reveal that a top official at the DOI had a hand in nixing a government-funded public-health study in Appalachia—after a series of meetings with some of the most powerful mining players in the country.... Katharine MacGregor, the principal deputy assistant secretary for land and minerals management, is another little-known but immensely influential official at the DOI. A former staffer for the House Natural Resources Committee, which is led by Representative Rob Bishop (R-Utah), MacGregor now helps oversee the Bureau of Land Management and other agencies responsible for regulating resource extraction on hundreds of millions of acres of public land and water.... A review of MacGregor's work calendar, which was obtained through a Freedom of Information Act (FOIA) request, shows a large number of meetings with fossil fuel firms, industry lobbyists, and other commercial interests during her first year in office.... Emails obtained through a FOIA request show that Katharine MacGregor had a hand in ensuring the health study's cancellation. Indeed, she appears to have been keenly interested in the matter.

## [Pentagon's Top Official Led Think Tank Funded by Foreign Governments](#)

### **Sludge**

... The Trump Administration's new Assistant Secretary of Defense for Asian and Pacific Security Affairs ..., [Randall] Schriver, was the founding president of the Project 2049 Institute, a think tank that has released reports arguing for a harder diplomatic approach toward China and increased military sales to East Asian states with which China has geopolitical disputes.... Reports published by Project 2049, argue for selling more U.S. weapons to Taiwan and to Japan, warn about China's military capabilities, and criticize China's human rights record.... For a decade, Project 2049's funding was opaque. With a new website redesign in May, the group has voluntarily disclosed some sources of funding: "The Project 2049 Institute's work is made possible by grants and contracts from the U.S. government, like-minded governments, charitable foundations, major corporations, and individual donors." The site lists among its funders several major defense contractors such as Lockheed Martin and Northrop Grumman as well as East Asian governments – such as Japan and Taiwan.

## [Spicer Joins Trump-Aligned Super PAC America First Action](#)

### **CNN**

Former White House press secretary Sean Spicer has joined the Trump-aligned super PAC America First Action. Spicer, who left the White House late last year, has struggled to find a full-time landing place. He announced in December that he planned to write a book to "set the record straight" about his time at the White House, a term defined by his combativeness behind the

podium and tendency to provide misleading information. Spicer will work as a spokesman and senior adviser to the super PAC and will make his debut with the group on Monday night at the group's gathering at the Trump International Hotel in Washington.

## [Facebook Says it Gave 'Identical Support' to Trump, Clinton Campaigns](#)

### **TechCrunch**

Facebook's hundreds of pages of follow-ups to Senators make for decidedly uninteresting reading. Give lawyers a couple of months and they will always find a way to respond non-substantively to the most penetrating questions. One section may at least help put a few rumors to rest about Facebook's role in the 2016 presidential campaigns, though, of course, much is still left to the imagination. Senator Kamala Harris (D-CA), whose dogged questioning managed to put Mark Zuckerberg on his back foot during the questioning, had several pages of questions sent over afterwards. Among the many topics was that of the 2016 campaign and reports that Facebook employees were "embedded" in the Trump campaign specifically, as claimed by the person who ran the digital side of that campaign. This has raised questions as to whether Facebook was offering some kind of premium service to one candidate or another, or whether one candidate got tips on how to juice the algorithm, how to target better.

## [Supreme Court Upholds Ohio's Way of Removing Infrequent Voters](#)

### **The Washington Post**

Conservatives on the Supreme Court on Monday upheld Ohio's method of purging voters from the rolls after they miss elections, a move that challengers of the law said would disproportionately remove poor and minority voters. Justice Samuel A. Alito Jr., writing for the majority in the 5 to 4 decision, said Ohio's disputed process met the requirements of the National Voter Registration Act. "We have no authority to second-guess Congress or to decide whether Ohio's [law] is the ideal method for keeping its voting rolls up to date," Alito wrote. "The only question before us is whether it violates federal law. It does not." The decision came under immediate criticism, not just from dissenters on the court but from liberal groups who said it gave states a green light to impose procedures that studies have shown disproportionately impact the poor and minorities, who tend to move more often.

## [Report Criticizes Comey But Finds No Bias in FBI Decision on Clinton](#)

### **The New York Times**

The Justice Department's inspector general on Thursday painted a harsh portrait of the F.B.I. during the 2016 presidential election, describing a destructive culture in which James B. Comey, the former director, was "insubordinate," senior officials privately bashed Donald J. Trump and agents came to distrust prosecutors. The 500-page report criticized Mr. Comey for breaking with longstanding policy and publicly discussing — in a news conference and a pair of letters in the

middle of the campaign — an investigation into Hillary Clinton’s use of a private email server in handling classified information. The report was a firm rebuke of those actions, which Mr. Comey has tried for months to defend. Nevertheless, the inspector general, Michael E. Horowitz, did not challenge the conclusion that Mrs. Clinton should not be prosecuted. That investigation loomed over most of the presidential campaign, and Mr. Horowitz and his investigators uncovered no proof that political opinions at the F.B.I. influenced its outcome.

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## IN THE STATES

### [Campaign Finance Board Propose Reforms Charter Commission Hearing](#)

#### **Gotham Gazette**

New York City’s modern campaign finance system is undoubtedly a model program -- it’s being emulated in other municipalities -- that has diversified and democratized the city’s quadrennial local elections since it was created 30 years ago. Among its strengths is that the public-matching program is consistently tweaked and updated with the times, and the Campaign Finance Board is taking the opportunity afforded by a mayoral charter revision commission to propose further reforms to the system. CFB officials are set to present five proposals to the charter revision commission, empaneled in April by Mayor Bill de Blasio, on Thursday afternoon, at an issue forum at NYU focused on campaign finance reform, which was one of the mayor’s stated goals in creating the commission. The commission has been holding public hearings for the last few months and is now digging deeper into a few core subject areas including election administration, voter access and participation, land use, community boards, civic engagement, and independent redistricting.

### [Montana Tells Contractors to Respect 'Dark Money' Spending](#)

#### **The Associated Press**

Montana Gov. Steve Bullock signed a first-of-its-kind executive order Friday to require many state government contractors to report their political contributions, even those to so-called "dark money" groups that don't have to disclose donors under federal law. Bullock said the measure is an example of how states can bring transparency to spending by groups classified as social welfare organizations under the federal tax code. Those dark money groups' influence increased dramatically after the 2010 U.S. Supreme Court's Citizens United ruling that allowed unlimited corporate election spending. Bullock said he hopes other governors will follow his example, as they have with a net neutrality executive order he signed in January. New York and New Jersey governors have signed their own versions of Bullock's order requiring state contractors to not interfere with internet speeds or content.

## [Maine Democrats Focus on Campaign Finance in Congressional Primary](#)

### **Wall Street Journal**

Democrats are campaigning on health care and the economy across much of the country, but in Maine, the party's congressional primary has a different focus: campaign finance. The Maine contest pits Lucas St. Clair, heir to the Burt's Bees fortune, against Jared Golden, a state lawmaker and Marine veteran of the wars in Iraq and Afghanistan. The race is a rare 2018 Democratic congressional primary to feature a prominent role for a nonprofit political group that isn't required to disclose its donors—the type of outside political player that the party has long said should be banned because of its lack of transparency. The group, the Maine Outdoor Alliance, has spent \$300,000 on TV ads promoting Mr. St. Clair's work to create the Katahdin Woods and Waters National Monument in northern Maine. Though Mr. St. Clair is legally forbidden from coordinating with the outside group, the lone officer of the Maine Outdoor Alliance is Nathan Deyesso, who went to boarding school with Mr. St. Clair and was best man in his wedding. Mr. Golden has devoted the closing weeks of his campaign to blasting Mr. St. Clair for benefiting from a “dark money” group.

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## KEY OPINION

## [Vote for Me! For Second Place, at Least?](#)

### **The New York Times (Editorial)**

Voters in Maine will tackle that question on Tuesday, when the state holds its primaries using a radical yet sensible electoral reform that could fundamentally change how campaigns are run and who ends up winning. It will be the first time the method — known as ranked-choice, or instant-runoff, voting — is used in a statewide election. The purpose is to ensure that officials are elected with an outright majority when there are three or more candidates, and to elevate those with the widest appeal. It works like this: Rather than checking a box for just one candidate, voters rank all candidates in order of preference. If a candidate earns a majority of the votes, he or she wins. If not, the candidate with the fewest first-choice votes is eliminated, and his or her ballots get redistributed to whomever those voters ranked second. If another round is needed, the process continues, eliminating the candidate with the next fewest votes, until one candidate has a majority.... Ranked-choice voting can't single-handedly fix America's broken elections, but it's a worthwhile experiment, and it's already proved to make for a better process, particularly in candidate-heavy primaries. If it's combined with other electoral reforms, like multimember districts that can more accurately reflect the political makeup of a region, it could do even more to help voters feel that their voices are being heard, even if they're in the minority. And that could help drive up turnout, which is notoriously bad in midterm elections.

## [Will Congress Stand Up to Trump on ZTE](#)

### **The New York Times (Op-ed by Norman Eisen)**

Instead of hosannas greeting President Trump upon his return from Asia, a clash with Congress awaits him: Senators of both parties have just agreed to add language to the annual defense spending bill that would reverse his decision to save the Chinese telecommunications company ZTE. Mr. Trump, riding high off his meeting with the North Korean leader Kim Jong-un, is sure to fight back. He will most likely claim that he knows what he's doing, and that internal political dissent will make him look weak at a critical moment, points that his political and media allies will surely echo. But the Senate must hold its ground: Not only does ZTE pose a unique threat to American security, but Mr. Trump's kid-glove treatment of the company raises questions about possible links between it and Trump family businesses.

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## NEW REPORTS

## [The Small-Donor Antidote to Big-Donor Politics](#)

### **The Center for American Progress**

Americans are fed up with the influence of big money in politics—and the good news is that a growing number of citizens and lawmakers are doing something about it. In March, Washington, D.C., joined almost 30 other jurisdictions nationwide that provide public support to political campaigns financed by small donors.<sup>1</sup> Moreover, Democratic leaders in Congress recently championed “A Better Deal for Our Democracy,” a package of pro-democracy legislation that includes support for robust small-donor-funded campaigns.<sup>2</sup> Much of the commentary on campaign fundraising—including publications from the Center for American Progress<sup>3</sup>—focuses on the important goal of safeguarding representative government against corruption. Yet simply limiting undemocratic forces should not be the singular goal of democratic reform; any comprehensive effort to address what ails American democracy should also seek to strengthen the relationship between citizens and their representatives. In other words, at all levels of government—state, local, or federal—reformers should work to make elected officials more accountable to the people they represent.

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