



DEMOCRACY REFORM TASK FORCE WEEKLY NEWS ROUND UP

August 10, 2018

NATIONAL NEWS

[Democrats Link Congressman's Indictment to Trump Ethics](#)

The Associated Press

Democrats are linking a Republican congressman's insider trading indictment to a culture of corruption they say President Donald Trump has fostered, amplifying a theme they hope will help them seize congressional control in November's elections. "The fish rots from the head," Rep. John Sarbanes, D-Md., told reporters Thursday in a conference call. He added that Trump is "the most ethically blind president we've ever seen." Bustos and Sarbanes, the type of younger Democrats to whom party leaders are giving more exposure, spoke a day after Collins, R-N.Y., was arrested and indicted on charges of making illegal stock trades using inside information about a biotech company. Collins has denied wrongdoing. Collins was one of Trump's earliest supporters in his 2016 presidential run and has remained a stalwart defender of the president. Their relationship — and the indictment's assertion that Collins was on White House grounds when he used insider stock information — proved irresistible to Sarbanes.

[Forget Left and Right. This Is What Will Determine Midterms.](#)

The Washington Post

A program to renew self-rule is coming to a congressional campaign near you. In late June, Rep. John Sarbanes (D-Md.) introduced a resolution outlining a broad agenda that has been co-sponsored by 163 House Democrats. It is a promissory note to the electorate, outlining areas where the party is working on legislation it pledges to enact should it win a majority. They would start by restoring the effectiveness of the Voting Rights Act, gutted by the Supreme Court in 2013; providing for nationwide automatic voter registration; ending purges that illegitimately disenfranchise many citizens; and outlawing gerrymandering by requiring states to establish cross-party commissions to draw district lines. A high priority would involve creating a campaign-finance regimen aimed at encouraging congressional candidates to rely on small contributions, while also restoring the public-finance system for presidential campaigns.

[The Swampiest Moments of the Trump Administration So Far](#)

CNN

President Donald Trump's promise to drain the swamp of Washington, delivered repeatedly and vigorously during the 2016 campaign, turned into a pledge of honor in his inaugural address when he said he would return government back to the people.... But the intervening year and a half of his administration has been tagged by a dizzying number of side plots, dramas, scandals, allegations and now criminal cases involving people in Trump's orbit allegedly using the organs of government to enrich themselves or running seriously afoul of ethics rules designed to protect against even the appearance of such a conflict.

[Trump Acknowledged, Defends 2016 Meeting Between Son and Kremlin](#)

The Washington Post

President Trump on Sunday offered his most definitive and clear public acknowledgment that his oldest son met with a Kremlin-aligned lawyer at Trump Tower during the 2016 campaign to “get information on an opponent,” defending the meeting as “totally legal and done all the time in politics.” It is, however, against the law for U.S. campaigns to receive donations or items of value from foreigners, and that June 2016 meeting between Donald Trump Jr. and Natalia Veselnitskaya is now a subject of special counsel Robert S. Mueller III’s Russia investigation.

[Trump's N.Y. Hotel Revenue Went Up this Spring — Thanks to Saudis](#)

The Washington Post

The general manager of the Trump International Hotel in Manhattan had a rare bit of good news to report to investors this spring: After two years of decline, revenue from room rentals went up 13 percent in the first three months of 2018. What caused the uptick at President Trump’s flagship hotel in New York? One major factor: “a last-minute visit to New York by the Crown Prince of Saudi Arabia,” wrote general manager Prince A. Sanders in a May 15 letter, which was obtained by The Washington Post. Neither Crown Prince Mohammed bin Salman nor members of the royal family stayed at Trump’s hotel, Sanders said: He said the Trump hotel didn’t have suites big enough to accommodate them. But “due to our close industry relationships,” he wrote, “we were able to accommodate many of the accompanying travelers.” The previously unreported letter — describing a five-day stay in March that was enough to boost the hotel’s revenue for the entire quarter — shows how little is known about the business that the president’s company does with foreign officials.

[The Shadow Rulers of the VA](#)

ProPublica

Last February, shortly after Peter O'Rourke became chief of staff for the Department of Veterans Affairs, he received an email from Bruce Moskowitz with his input on a new mental health initiative for the VA. "Received," O'Rourke replied. "I will begin a project plan and develop a timeline for action." O'Rourke treated the email as an order, but Moskowitz is not his boss. In fact, he is not even a government official. Moskowitz is a Palm Beach doctor who helps wealthy people obtain high-service "concierge" medical care. More to the point, he is one-third of an informal council that is exerting sweeping influence on the VA from Mar-a-Lago, President Donald Trump's private club in Palm Beach, Florida. The troika is led by Ike Perlmutter, the reclusive chairman of Marvel Entertainment, who is a longtime acquaintance of President Trump's. The third member is a lawyer named Marc Sherman. None of them has ever served in the U.S. military or government. Yet from a thousand miles away, they have leaned on VA officials and steered policies affecting millions of Americans. They have remained hidden except to a few VA insiders, who have come to call them "the Mar-a-Lago Crowd."

[Big Names in GOP Fundraising Financing Trump's Legal Defense Fund](#)

The Daily Beast

Some of the richest individuals in the energy, real estate, and casino industries are financing a controversial legal defense fund to help President Donald Trump foot legal bills associated with the federal investigation into Russian election meddling. The fund, known as the Patriot Legal Expense Fund Trust, was launched in late February 2018. Through June, the group's top donor was Geoff Palmer, a Los Angeles real estate developer and one of the Trump 2016 campaign's biggest financial supporters, according to financial records obtained by The Daily Beast. Palmer is followed by Phil Ruffin, a casino magnate and Trump backer, and Continental Resources, the oil and gas company founded and chaired by Harold Hamm, a high-dollar Trump donor and board member of pro-Trump dark money group America First Policies. The group also reported income from ProActive Communications, which is run by the legal expense fund's spokesman, Mark Serrano. ProActive has also done extensive business for the Trump re-election campaign since last year and Serrano has been a public defender of the president on cable. The legal expense fund has not reported any expenditures to ProActive.

[Top Trump Donor Agreed to Pay Cohen \\$10M for Nuclear Project Push](#)

The Wall Street Journal

A major donor to President Trump agreed to pay \$10 million to the president's then-personal attorney if he successfully helped obtain funding for a nuclear-power project, including a \$5 billion loan from the U.S. government, according to people familiar with the matter. The donor,

Franklin L. Haney, gave the contract to Trump attorney Michael Cohen in early April to assist his efforts to complete a pair of unfinished nuclear reactors in Alabama, known as the Bellefonte Nuclear Power Plant, these people said.

[New Details About Wilbur Ross' Business Point to Pattern of Gifting](#)

Forbes

A multimillion-dollar lawsuit has been quietly making its way through the New York State court system over the last three years, pitting a private equity manager named David Storper against his former boss: Secretary of Commerce Wilbur Ross. The pair worked side by side for more than a decade, eventually at the firm, WL Ross & Co.—where, Storper later alleged, Ross stole his interests in a private equity fund, transferred them to himself, then tried to cover it up with bogus paperwork. Two weeks ago, just before the start of a trial with \$4 million on the line, Ross and Storper agreed to a confidential settlement, whose existence has never been reported and whose terms remain secret.

[Court Orders EPA to Ban Pesticide Tied to Children's Health Problems](#)

The New York Times

A federal appeals court ordered the Environmental Protection Agency on Thursday to bar within 60 days a widely used pesticide associated with developmental disabilities and other health problems in children, dealing the industry a major blow after it had successfully lobbied the Trump administration to reject a ban. The order by the United States Court of Appeals for the Ninth Circuit came after a decade-long effort by environmental and public health groups to get the pesticide, chlorpyrifos, removed from the market. The product is used in more than 50 fruit, nut, cereal and vegetable crops including apples, almonds, oranges and broccoli, with more than 640,000 acres treated in California alone in 2016, the most recent year data is available. In March 2017, just a month after he was confirmed as the agency's administrator, Scott Pruitt rejected a petition by the health and environmental groups to ban the pesticide. He did so even though the agency's own staff scientists had recommended that chlorpyrifos be removed from the market, based on health studies that had suggested it was harming children.

[Trump Campaign Aides Lobbying Bosnia's Pro-Russian Separatist Party](#)

Mother Jones

Representatives of a Russian-backed Serbian separatist party in Bosnia, whose leader has been sanctioned by the Treasury Department, have been courting Trump administration officials and allies and recently signed up two former Trump campaign officials to help them connect with Republican lawmakers. Former Trump campaign aides Jason Osborne and Mike Rubino have registered with the Justice Department to lobby for the political party of Milorad

Dodik, the president of Republika Srpska, the Serbian enclave in Bosnia. Dodik has talked of his republic seceding from Bosnia and merging with Serbia, escalating tensions in a country governed by the 1995 Dayton Accords, which ended a bloody three-year war among former Yugoslavian states. The United States sanctioned Dodik last year for undermining the accords through his calls for secession and other actions. Dodik has won backing from Russia, which has embraced his opposition to Bosnia joining NATO and generally supports nationalist parties and movements, especially those in Eastern Europe.

[On Appeals Court, Kavanaugh Helped to Loosen Political Money Laws](#)

NPR

As a federal appellate judge for the past dozen years, Supreme Court nominee Brett Kavanaugh has played a central role in building the nation's system of campaign finance laws. It's a system that voters hold in low esteem in recent polls. His decisions have effectively pulled the campaign finance system rightward, letting in more money with less regulation. He's been roughly in sync with Anthony Kennedy, the justice he once clerked for and now might succeed. That record has drawn relatively little attention in the fight over confirming Kavanaugh for the Supreme Court. It's a mistake on the part of liberals, said Chiraag Bains, director of legal strategies for the progressive advocacy group Demos.

[Judge's Ruling Invalidates FEC Regulation Allowing Anonymous Donations to 'Dark Money' Groups](#)

POLITICO

A U.S. District Court judge on Friday issued a ruling invalidating a Federal Election Commission regulation that has allowed donors to so-called dark-money groups to remain anonymous, the latest development in a years-long legal battle that could have major implications for campaign finance. Judge Beryl A. Howell ruled the FEC's current regulation of such groups, including 501(c) 4 non-profits, fails to uphold the standard Congress intended when it required the disclosure of politically related spending.... The decision paves the way for new requirements that could force nonprofits to disclose donors who give least \$200 toward influencing federal elections. (Social-welfare nonprofits such as Crossroads GPS are allowed to spend money on elections so long as it's not their "major purpose.") In the post *Citizens United* era, spending by these groups has ballooned, but they have largely avoided having to report individual donors as a result of the FEC's belief that their names only need to be disclosed in limited circumstances.

[Corporate America Hikes Contributions to Key Democrats](#)

POLITICO

Corporate PACs are increasing their contributions to several Democrats who are in line to lead powerful committees if their party retakes the House in November, another sign of the burgeoning expectations for Democrats' showing in the midterms. The uptick comes as tensions grow in the party between lawmakers who rake in money from corporate PACs and the activists who decry such contributions as a corrupting influence. Justice Democrats, an upstart PAC that backed Alexandria Ocasio-Cortez in her surprise primary victory over Rep. Joe Crowley (D-N.Y.) in June, will endorse only candidates who vow to reject corporate PAC money. Another Democratic PAC, End Citizens United, has encouraged the candidates it's endorsed to refuse corporate PAC money. A handful of Democratic lawmakers have said recently that they'd no longer accept contributions from corporate PACs. Contributions from lobbyists and corporate PACs are the lifeblood of Washington fundraising, and many Democratic lawmakers say there's nothing wrong with accepting such contributions.

[Kris Kobach Used Flawed Research to Defend Trump's Voter Fraud Panel](#)

The Washington Post

One of the foremost proponents of stricter voter identification laws, Kobach, who is running in the primary Tuesday for the Republican nomination for the state's governorship, has been undeterred since a federal judge struck down a restrictive voting law for which he had advocated in the state. And in a statement sent to The Washington Post, Kobach accused Dunlap of being "willfully blind to the voter fraud in front of his nose," pointing to studies from two conservative groups about the supposed voter fraud about which he has been so vocal: a database from the Heritage Foundation that found 983 convictions in state, local and federal elections dating back decades; and a study from the Government Accountability Institute, a nonprofit founded by Stephen K. Bannon and another Breitbart editor, that purported to find 8,400 instances of double voting in the 2016 election. Kobach's response was included in the reports of outlets such as CNN, the Associated Press and HuffPost. But election experts said that the two studies made for a flawed portrait of the issue of voter fraud.

[Foreign Interests Have Spent Over \\$530 Million Influencing U.S. Policy](#)

OpenSecrets

Foreign lobbyists and agents acting on behalf of foreign interests have reported hundreds of millions of dollars in payments since January 2017, an analysis of OpenSecrets' exclusive new Foreign Lobby Watch data reveals. Today we're making available, for the first time, a searchable database of foreign interests spending on lobbying and influence in the United States. Foreign lobbyists and other operatives acting on behalf of foreign interests wield a

significant amount of power, impacting economic and diplomatic policies as well as public opinion. The law that governs most foreign influence disclosure requirements, the Foreign Agent Registration Act (FARA), requires any foreign agent or lobbyist representing a foreign principal to register with the U.S. Department of Justice and file detailed public disclosures. These reports may include details that are not found in the more familiar lobbying reports submitted to Congress under the Lobbying Disclosure Act, including names of U.S. officials with whom the lobbyist had contact and copies of materials disseminated.

IN THE STATES

[Maine's Clean Elections Candidates to Get \\$1M in Campaign Funds](#)

Maine Public Radio (Online)

Maine's publicly-financed candidates will finally be getting \$1 million in campaign funds despite Republican Gov. Paul LePage's attempt to unilaterally block the funding and a last-minute move by his administration that threatened to delay payments to 120 legislative candidates and a gubernatorial hopeful.... The funds were released after Maine Republican Gov. Paul LePage decided not to appeal a court order instructing him to release the money. But in a letter to the Maine Ethics Commission, the agency that administers the public campaign program, LePage's finance chief said the administration would comply with the judge's order, but that it would no longer perform its traditional role of disbursing payments to candidates.

[More Cities Want to Embrace 'Democracy Vouchers'](#)

CityLab

In 2017, Seattle rolled out “democracy vouchers”—a program through which it would give eligible residents vouchers totaling \$100 to donate to the local candidate of their choice. Candidates who opted in to the program had to agree to strict guidelines on how to spend the money they received. The idea behind the pilot was that giving the equivalent of money to constituents who don't usually have the resources to support their candidates—pensioners and the homeless, for example—would spur greater political participation. And, ideally, it would also help mitigate the vast influence wealthy campaign donors have on local elections. Now, the idea is picking up speed in other cities, with Albuquerque, New Mexico, and Austin, Texas, planning to put it to vote in ballot initiatives come November.

[Public Financing Is Being Used for First Time in Berkeley Election](#)

Berkeleyside

In 2016, Berkeley voters approved Measure X1, which established a system for public financing of races for the City Council and the office of the mayor. It is being put to use for the first time in the current election cycle. So far, 12 of the 14 candidates running for City Council are using public financing and, for most of them, it's made campaigning much easier. The rules are clear. If candidates pledge to only get individual donations of \$50, and they eschew donations from political action committees, they are eligible to get a 6-to-1 match from city funds up to a maximum of \$40,000 for City Council races. The limit is \$120,000 for a mayor's race. Only donations by Berkeley residents can be matched. That means that candidates only have to raise \$6,667 to have \$40,000 to spend. Once candidates max out, they are allowed to continue to raise funds, but only in \$50 increments, which are not matched.

KEY OPINION

[Why Russian Money Ends Up in U.S. Elections](#)

The New York Times (Op-Ed by Bob Bauer)

In 2016, it turns out, one of the larger political organizations active in the presidential election, employing hundreds and spending millions, was organized and run by a foreign government. This intervention from abroad did not end there: The director of national intelligence has warned Congress that Russia “perceives its past efforts as successful and views the 2018 U.S. midterm elections as a potential target for Russian influence operations.” This, then, is the state of campaign finance: a no-holds-barred competition that has proved irresistible to foreign state actors. With the collapse of the 1970s model of regulation, the question is what should take its place — and what role should the United States government play? ... The government's role in reform needs a reorientation. A better model for the times could be built by putting less emphasis on elaborate, restrictive and increasingly futile regulation and instead providing public resources — and where necessary, facilitating access to private funding — for critical electoral functions. The goal would not be to supplant the political market, but to correct its inadequacies.

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