

DEMOCRACY REFORM TASK FORCE WEEKLY NEWS ROUND UP

FEBRUARY 2, 2018

NATIONAL NEWS

Russia 'Will Target U.S. Mid-Term Elections' Says CIA Chief

BBC News

Mike Pompeo told the BBC there had been no significant diminishing of Russian attempts at subversion in Europe and the U.S. ... The US intelligence community has said that it believes Russia interfered in the 2016 presidential election.... Even though there has been co-operation in counter-terrorism (the CIA helped stop a plot in St Petersburg last year), Mr. Pompeo says he still sees Russia primarily as an adversary, sharing the concerns in many European countries about its subversion. "I haven't seen a significant decrease in their activity," he said.... Asked if his concerns extended to the upcoming U.S. mid-term elections in November, he replied: "Of course. I have every expectation that they will continue to try and do that, but I'm confident that America will be able to have a free and fair election [and] that we will push back in a way that is sufficiently robust that the impact they have on our election won't be great."

The True State of Donald Trump's Union? Unlimited Corruption

Salon

The state of the union is corrupt. Oh sure, Donald Trump got up and offered a bunch of empty promises about jobs and infrastructure that Republicans have no interest in following through on, and pundits were eager to heap praise on him for being able to read off a teleprompter for an hour and a half. But the entire dog-and-pony show is, to use the threadbare term, a distraction from the real story of Trump's first year in office, which is a tale of unparalleled corruption and relentless attacks on the rule of law and our democratic systems.... With the endless firehose of horrific news stories chronicling the latest Trump transgressions or developments in the Russian investigation, it can be hard to step back and assess the collective damage this president has done to our democracy. Luckily, Common Cause and Democracy 21 worked together to release a report this month titled "The Art of the Lie," which

aims to be a comprehensive overview — or as comprehensive as possible — of the ways that Trump has undermined democracy, sown corruption, obstructed justice and lied to the public.

Trump's D.C. Hotel Was Pricier and Emptier Than Peers in 2017

CNN

New information obtained exclusively by CNN offers a rare glimpse into the business operations of what quickly became one of the President's most highly scrutinized businesses and a de facto clubhouse for his administration's officials and supporters. The numbers don't shed light on the hotel's profitability, but they do illustrate how Trump's property operates differently than some of its competitors when compared to an industry analysis also obtained by CNN. Trump's hotel had an average monthly occupancy rate of about 50% through November 2017, according to data provided to CNN covering the first 11 months of 2017. That occupancy rate is about one-third below an industry average for a broad group of luxury hotels in Washington over the same period.... Despite the low occupancy, the Trump hotel charged nightly room rates that were 40% higher on average than those same nearly two dozen hotels.... According to lodging industry research firm STR, top-tier hotels in Washington reported an average monthly occupancy of 77% -- 27 percentage points higher than Trump's hotel. Those competitors charged an average of \$334 per night versus Trump's \$559 average daily rate.

About 25% of Trump's Re-election Spending Continues to Go to Lawyers The New York Times

President Trump's re-election campaign raised \$15.2 million in the last three months of last year, and spent \$1.2 million on legal fees — with much of the cash going to law firms responding to investigations of Russian meddling in the 2016 presidential election — according to campaign finance reports.... The reports, filed with the Federal Election Commission on Wednesday evening, indicate that Mr. Trump's campaign and two fund-raising committees it formed with the Republican National Committee — Trump Victory and Trump Make America Great Again — entered this year with \$32.3 million in the bank.... That is an unusually large nest egg for a president at this point in a first term, reflecting an earlier and more aggressive start to re-election fund-raising that began almost immediately after Mr. Trump's victory over Hillary Clinton in a campaign in which she drastically outspent him.

Lots of Corporation Give Big Money to VP Pence's Leadership PAC USA Today

Vice President Pence saw fundraising for his political action committee surge to more than \$1.26 million during the second half of the year as corporate interests stepped up to help him

protect GOP majorities in Congress.... Roughly 30% of the money that went to the Great America Committee since July 1 came from political action committees, including PACs tied to big drug makers, such as Novo Nordisk, Merck, Eli Lilly, Sunovion Pharmaceutical and Johnson and Johnson.... Other corporate PACs supporting Pence include telecom giant AT&T and Nashville-based CoreCivic, which operates private prisons. The private-prison industry stands to make big gains with the Trump administration's stepped-up immigration enforcement.

CDC Director Resigns Over Financial Conflicts

POLITICO

Trump's top public health official resigned from her post after mounting questions about financial conflicts of interest, the Department of Health and Human Services announced Wednesday.... The resignation comes one day after POLITICO reported that Dr. Brenda Fitzgerald, the director of the Centers for Disease Control and Prevention, bought shares in tobacco, drug and food companies one month into the job.... Buying shares of tobacco companies raised flags because it stood in stark contrast to the CDC's mission to persuade smokers to quit and keep children from becoming addicted. Fitzgerald's behavior likely broke with ethical norms for public health officials, critics said, and could have posed legal problems if she didn't recuse herself from government activities that could have affected her investments.

Zinke's Agency Held Up Indians' Casino After MGM Lobbying

POLITICO

Two casino-owning American Indian tribes are accusing Interior Secretary Ryan Zinke of illegally blocking their plans to expand operations in Connecticut — a delay that stands to benefit politically connected gambling giant MGM Resorts International.... The Interior Department's refusal to sign off on the tribes' plans for a third Connecticut casino came after Zinke and other senior department officials held numerous meetings and phone calls with MGM lobbyists and the company's Republican supporters in Congress, according to a POLITICO review of Zinke's schedule, lobbying registrations and other documents. The documents don't indicate whether they discussed the tribes' casino project.

HUD Lawyers Warned Ben Carson Risked Running Afoul of Ethics Rules

The Washington Post

Housing and Urban Development Secretary Ben Carson allowed his son to help organize a "listening tour" in Baltimore last summer despite warnings from department lawyers that doing so risked violating federal ethics rules, according to internal documents and people familiar with the matter.... In the days before the event in late June, career officials and political appointees raised concerns that Carson's son, local businessman Ben Carson Jr., and daughter-in-law

were inviting people with whom they potentially had business dealings, the documents show.... "I expressed my concern that this gave the appearance that the Secretary may be using his position for his son's private gain," Linda M. Cruciani, HUD's deputy general counsel for operations, wrote in a July 6 memo, describing her reaction upon learning of Carson Jr.'s involvement from other staff members.... The two-page memo, obtained by The Washington Post under the Freedom of Information Act (FOIA), details conference calls and meetings that Cruciani and her colleagues had with Carson, his son and other senior HUD officials to urge that Carson Jr. not be involved in the listening tour, an event aimed in part at gathering input from local business leaders.... The high-level meetings surrounding the Baltimore event highlight the extent to which Carson has relied on close family members since joining the Cabinet. His wife, Candy Carson, son Carson Jr. and daughter-in-law Merlynn Carson have attended some of his official meetings, according to current and former HUD officials.

*Related Story: Emails Show Carson Family Fingerprints at HUD Despite Warnings.

Liberal Group Asks FEC to Probe Possible Russian Donations to NRA

Talking Points Memo

A Democratic-aligned group filed a complaint Monday with the Federal Election Commission asking for a comprehensive probe into whether the NRA received money from Russian nationals to help Donald Trump, in violation of campaign finance laws.... "A foreign agent illegally laundering millions of foreign dollars to influence an American election in support of then candidate Donald Trump is absolutely an issue for the Federal Election Commission to take up," American Legal Democracy Fund (ALDF) treasurer Brad Woodhouse, a former DNC spokesman, said in a statement. "We expect the FEC to get to the bottom of this issue swiftly and deliver the results of a thorough investigation to the American people."

Draft FEC Rules Target Political Ads on Social Media

Bloomberg

The U.S. Federal Elections Commission is moving forward with a plan to introduce new rules on political advertising on social media ahead of the 2018 election cycle.... The commission has a working draft of the rules in front of it now, longtime Democratic FEC Commissioner Ellen Weintraub said Monday at a technology conference in Washington, though she divulged few details.... The FEC agreed in late 2017 to come up with new rules after congressional committees hammered social media companies about how their platforms were used by Russian state agents to increase discord during the 2016 presidential election. Most lawmakers want rules that apply the same TV and radio ad disclosure requirements to the internet.... The FEC's draft rules focus narrowly on ads that directly advocate for a particular candidate, rather

than the broader threshold some lawmakers have proposed that would require disclosure for ads about any issue of "national legislative importance."

<u>Lobbying During Trump Administration Surges to Highest Level in 7 Years</u> **USA Today**

Lobbying activity in Washington surged to \$3.34 billion last year — its highest level since 2010 — as corporations, trade groups and other interests scrambled to make their mark on everything from fast-moving tax legislation to immigration policy during President Trump's first year in office.... The new tally from the nonpartisan Center for Responsive Politics shows powerful and long-standing trade groups, such as the U.S. Chamber of Commerce and the National Association of Realtors, spending the most money to shape policy in 2017.... The center's tally also shows that lobbying by individual companies hit new levels.... Google's federal spending jumped to \$18 million last year, a new high in the tech giant's lobbying history.

Koch Network Plans to Spend \$400 Million in U.S. Midterm Cycle

Bloomberg

The conservative political network led by billionaires Charles and David Koch plans to spend close to \$400 million on policy and politics during the two-year election cycle that culminates with November's midterm elections, a roughly 60 percent increase over 2015-16.... That will include as much as \$20 million in 2018 to sell to voters the Republican tax cuts signed in December by President Donald Trump, about the same amount Koch-affiliated groups spent on promoting the legislation in 2017, officials with the Koch network said Saturday.... The money will be spread across a network that has a presence in more than 30 states and a voter-turnout operation that rivals that of the Republican Party.

*Related Story: <u>Big Donors Ready to Reward Republicans for Tax Cuts.</u>

<u>Justice Department Drops Corruption Case Against Menendez</u> **POLITICO**

The Justice Department reversed itself and dropped its corruption case against Sen. Bob Menendez on Wednesday, removing a huge burden from the senator — and national Democrats — as he prepares for a reelection campaign.... The decision by Judge Jose Linares in Newark to dismiss all the remaining counts comes less than two weeks after the Justice Department announced it would retry Menendez, a Democrat and New Jersey's senior senator, and his co-defendant, Florida eye doctor Salomon Melgen, on corruption charges.

^{*}Related Story: Paul Ryan Thanks Koch Network Donors For Helping Pass Tax Cuts That Benefit Them.

America Is Not a Democracy

The Atlantic

One of the reasons well-intentioned politicians are so easily swayed by lobbyists is that their staffs lack the skills and experience to draft legislation or to understand highly complex policy issues. This could be addressed by boosting the woefully inadequate funding of Congress: If representatives and senators were able to attract—and retain—more knowledgeable and experienced staffers, they might be less tempted to let K Street lobbyists write bills for them.... Similarly, the rules that currently govern conflicts of interest are far too weak. There is no reason members of Congress should be allowed to lobby for the companies they were supposed to regulate so soon after they step down from office. It is time to jam the revolving door between politics and industry.... Real change will also require an ambitious reform of campaign finance. Because of Citizens United, this is going to be extremely difficult. But the Supreme Court has had a change of heart in the past. As evidence that the current system threatens American democracy keeps piling up, the Court might finally recognize that stricter limits on campaign spending are desperately needed.... We don't need to abolish all institutions or merely save the ones that exist. We need to build a new set of political institutions that are both more responsive to the views and interests of ordinary people.... Only by embarking on bold and imaginative reform can we recover a democracy worthy of the name.

IN THE STATES

P.G. County Campaign Finance Bill Introduced

Bowie Blade-News

When Prince George's County Council member Mary Lehman (District 1) first ran for an open seat on the council in 2010, she didn't know the first thing about funding a campaign.... She figured she could reach out to family members and friends for the money she needed to run..... Because she didn't want to feel beholden to big contributors, she wound up spending about \$20,000 of her own money to get elected. But she understands that's not an option for a lot of people.... So, she's introducing legislation this week to establish a "Fair Election Fund" that would enable political candidates to get matching funds from the county if they meet certain criteria with their fund-raising.... Lehman is the lead sponsor of the bill; she also has three more co-sponsors. Five votes would be needed to pass the legislation (CB-4-2018), which Lehman said is endorsed by Prince George's County Executive Rushern Baker.

Public Funding Candidates Are Top Fundraisers in Council At-Large Race

Montgomery County Sentinel

In the race for the at-large seats on the Montgomery County Council, the County's new public campaign financing system appears to be fulfilling its promise of eliminating the financial advantage of incumbency as most of the top fundraisers in the race are using the new system, according to the year's first round of campaign finance disclosures.... Thirty-four candidates: 30 Democrats, three Republicans, and one member of the Green Party – are vying for three open at-large seats on the nine-member Council this year. Twenty-two of those new candidates have signed up for public financing, as well as incumbent Hans Riemer, who is running for reelection after his second term as an at-large Council member.... The primary election for all candidates in the race is Tuesday, June 26.... Last week candidates in the race filed state-required campaign finance reports for the first time in the primary election.

*Related Report: Fair Elections in Montgomery County.

A Flurry of Courts Have Ruled on Election Maps. Here's What They Said.

The New York Times

Judges in a number of states have recently thrown out election maps, arguing they are gerrymandered to the point of being unconstitutional. The rulings come as courts have become increasingly focused on the issue of extreme partisan gerrymanders — maps that effectively doom political opponents to permanent underrepresentation.... The decisions are certain to have drawn the Supreme Court's interest as it mulls a resolution to the gerrymandering question. This spring, the justices are expected to decide whether partisan gerrymandering violates the Constitution, and if so, when.... Here are the basics of the major contested cases.

KEY OPINION

Trump's Corruption of the American Republic

The New York Times (Op-Ed by Roger Cohen)

President Trump's most significant, and ominous, achievement in his first year in office is the corruption of the Republic. I don't mean that he has succeeded in destroying the checks and balances on which American freedom rests. I mean that he has so soiled the discourse that a kind of numbness has set in, an exhaustion of outrage that allows him to proceed with the unthinkable.... The greatest danger from a man so unerring in his detection of human weakness, so attuned to the thrill of cruelty, so aware of the manipulative powers of

entertainment, so unrelenting in his disregard for truth, so contemptuous of ethics and culture, so attracted to blood and soil, was always that he would use the immense powers of his office to drag Americans down with him into the vortex.... Trump is succeeding in this. He is having his way, for all the investigative vigor of the free press he derides, for all the honor of the judiciary that has pushed back against his attempts to stain with bigotry the law of the land. Slowly but surely, the president is getting people to shrug.



