

DEMOCRACY REFORM TASK FORCE WEEKLY NEWS ROUND UP

February 23, 2018

NATIONAL NEWS

President or Luxury Towers: Either Way, Trump Is the Rage in India

The New York Times

When the Trump family jet lands in India this week, the family member taking a tour of the world's largest democracy — with a Secret Service detail in tow — won't be the president on a diplomatic mission. It will be his eldest son, Donald Trump Jr., on a sales trip.... But Indians might be forgiven for not making much of the distinction.... The visit by the younger Mr. Trump, intended to help sell more than \$1 billion in luxury residential units being built by the Trumps and their local partners, has been promoted with newspaper advertisements that read: "Trump has arrived. Have you?" ... The younger Mr. Trump's weeklong itinerary of cocktail parties, dinners and events with real estate brokers, business leaders and prospective buyers comes as President Trump is working to strengthen ties between the two countries... The Trump family earned as much as \$3 million in royalties in 2016 from ventures in India, according to the president's financial disclosure report. And Ivanka Trump made her own trip to India in November, in her capacity as a member of Trump administration, just as sales were about to start on some of the residential projects.... "The idea that the president's son would be going and shilling the president's brand at same time Donald Trump is president and is managing strategic and foreign relations with India - that is just bizarre," said Daniel S. Markey, who coordinated South Asia policy at the State Department during the Bush administration.

*Related Story: <u>Title of Don Jr.s' Remarks Changes Amid Backlash Over Conflicts</u>.

Book Trump? Interest Groups Press Case at His Properties

The Sacramento Bee

Payday lenders got regulators to rethink rules on how closely to vet borrowers. E-cigarette makers got a delay in federal oversight of many vaping products. Candy makers praised a decision to hold off on more stringent labeling standards. And title insurers declared "victory" for

getting changes that benefited them in the tax overhaul. What do all these American specialinterest groups have in common? They were among those that booked meetings, retreats and conferences at hotels and golf resorts owned by President Donald Trump. While it's impossible to draw a direct link between where groups seeking to influence the Trump administration hold their events and what they received, one thing is certain: Never before in American history have such groups had the opportunity to hold an event at a property owned by the president, paying for event space, rooms and food with money that ultimately heads into the president's pockets.

Hotel Carrying New Trump Brand Secures \$6 Million Tax Break

The New York Times

The State of Mississippi on Wednesday awarded a tax break worth up to \$6 million for a hotel project involving the Trump family business, a public subsidy that could indirectly benefit President Trump. The board of the Mississippi Development Authority approved the so-called tourism tax rebate, which had been requested by the development's local owners, Dinesh and Suresh Chawla. The Trump Organization will brand and manage the hotel and collect fees from the Chawlas for doing so. The subsidy, to be paid out over a period of many years, is expected to offset nearly a third of the Chawlas' projected \$20 million in costs for building the hotel, which is scheduled to open this fall in Cleveland, Miss.... The state's approval of the tax rebate is the culmination of more than two years of efforts by the Chawlas that predate their partnership with the Trumps.... After the Chawlas announced plans last June to team up with the Trumps, Suresh Chawla alerted an array of personal contacts and state and local officials, including an aide to Mississippi Delta." ... In December, the Chawlas formally applied for the tax rebate from the state development agency, which is led by Glenn McCullough Jr., an appointee of Mr. Bryant, both of whom are supportive of President Trump.

Trump Hotel Paid Millions in Fines for Unpaid Work

The Daily Beast

In the days around Donald Trump's inauguration, the hotel bearing his name in downtown Washington quietly settled two liens totaling more than \$3 million for allegedly unpaid construction work. In one case, a contractor reached an agreement after receiving a phone call from someone his attorney identified as "Trump." The liens had both been previously reported. But their settlements had not. And the fact that they were handled right around the time when Trump took office — perhaps even at the behest of the then-president-elect himself underscores just how politically sensitive the management of the Trump International Hotel was and is to the current White House occupant.

Group Files Complaints Over Payments to Playboy Playmate

The Wall Street Journal

A government-watchdog group filed complaints Tuesday with the Federal Election Commission and the Justice Department asking the agencies to investigate a \$150,000 payment to a former Playboy centerfold model who sold her story of an alleged affair with President Donald Trump to the publisher of the National Enquirer. American Media Inc. agreed in August 2016 to pay Karen McDougal for the rights to her story of the alleged 2006 affair, which it then didn't publish, a tactic known in the tabloid world as "catch and kill."

Trump Ambassador Nominee Pledged Money for Gala at Trump's Club

The Washington Post

Two weeks after President Trump nominated Florida businessman Leandro Rizzuto Jr. to be ambassador to Barbados, Rizzuto pledged thousands of dollars to fund a gala at Trump's Mara-Lago Club, the gala's organizer said. Rizzuto and his wife, Denise, have committed to be "underwriters" for next year's Trumpettes USA gala at the club in Palm Beach, Fla., according to Toni Holt Kramer, the founder of the Trumpettes. The Trumpettes are a group of Palm Beachbased socialites and Trump supporters whose galas aren't intended to raise money for charity — instead, most or all of the money they bring in goes to pay Trump's club.

Watchdog Seeks Probe into Zinke Gun-Club Outing POLITICO

A government watchdog group asked the Federal Election Commission on Thursday to investigate Interior Secretary Ryan Zinke's appearance at Virgin Islands Fundraiser, and it plans to request that Interior's Inspector General probe what it contends is his "pattern of violations" of ethics regulations. The complaint letters from the Campaign Legal Center, which cite several POLITICO investigations as evidence, increase the scrutiny the former Montana congressman has faced over his habit of mixing official travel and political events in the Virgin Islands and the mainland. The Interior inspector general's office is already conducting a review of Zinke's travel and campaign finance practices, which it expects to release by April.

Pruitt Postpones Trip to Israel Amid Scrutiny of High-Priced Travel

The New York Times

Scott Pruitt, the administrator of the Environmental Protection Agency who has come under scrutiny for first-class air travel, has postponed a plan to visit Israel this week, a spokeswoman for the agency said.... The trip, which was to focus on water issues and included a stop at a water recycling plant, had already been rescheduled once before. Originally scheduled for

January, it was put off until February for logistical reasons, administration officials said at the time... Liz Bowman, a spokeswoman for the E.P.A., declined to give a reason for the decision to again put off the trip. "We decided to postpone. The administrator looks forward to going in the future," she said.... Mr. Pruitt has faced criticism from Democrats and a handful of Republicans for his travel patterns. Documents released in recent weeks under the Freedom of Information Act to the watchdog group Environmental Integrity Project detail more than \$107,000 spent on first-class air travel and charter flights both domestically and internationally during the first six months of Mr. Pruitt's tenure.

Adelson Offers to Help Pay for Jerusalem Embassy

Associated Press

The Trump administration is considering an offer from Republican mega-donor Sheldon Adelson to pay for at least part of a new U.S. embassy in Jerusalem, four U.S. officials told The Associated Press. Lawyers at the State Department are looking into the legality of accepting private donations to cover some or all of the embassy costs, the administration officials said. The discussions are occurring as the new embassy clears its final bureaucratic hurdles. On Thursday, Secretary of State Rex Tillerson ended weeks of delay by signing off on a security plan for moving the embassy from Tel Aviv to the holy city, according to the officials, who weren't authorized to discuss the issue publicly and demanded anonymity.

Kushner Resists Losing Access, Kelly Tackles Security Clearance Issues The New York Times

Jared Kushner, President Trump's son-in-law and senior adviser, is resisting giving up his access to highly classified information, prompting an internal struggle with John F. Kelly, the White House chief of staff, over who should be allowed to see some of the nation's most sensitive secrets, according to White House officials and others briefed on the matter. Mr. Kushner is one of dozens of White House officials operating under interim security clearances because of issues raised by the F.B.I. during their background checks, according to the officials, who spoke on the condition of anonymity to discuss the clearances. The practice has drawn added scrutiny because of Rob Porter, the former staff secretary who resigned under pressure this month after domestic abuse allegations against him became public. Mr. Porter's post entailed handling and reviewing the flow of documents to and from the president, which routinely includes highly classified material. He had been allowed to continue in the job for more than a year with a stopgap clearance even though the F.B.I. had informed the White House of the damaging accusations against him.

Trump Former Guard Makes \$15,000 a Month From GOP 'Slush Fund'

CNBC

When President Donald Trump's longtime bodyguard Keith Schiller decided to leave his White House job last fall, many in the West Wing wondered how the president would manage without his personal security chief-turned-confidant, who had been working for Trump nearly 20 years. As it turns out, Schiller didn't go very far. Within weeks of leaving his job as director of Oval Office operations, Schiller's private security firm, KS Global Group, began collecting \$15,000 a month for "security services" from the Republican National Committee. According to an RNC official, Schiller is being paid for security consulting on the site selection process for the 2020 Republican National Convention. Schiller's fee comes out of the RNC's convention fund, not its campaign fund, the official noted. Campaign finance watchdog groups, however, were quick to cry foul. "These sorts of party accounts are notorious for being operated as slush funds — lightly regulated and ripe for abuse," said Stephen Spaulding, former special counsel at the FEC and now chief of strategy at the nonpartisan advocacy group Common Cause.

Top Dems Seeking \$300M for FBI to Fight Foreign Election Interference The Washington Post

Top Democrats are calling on Congress to give the FBI \$300 million to fight potential foreign interference in this year's midterm elections, a request that comes just days after the Justice Department indicted Russians for meddling in the 2016 presidential contest. The letter being sent Wednesday by House Minority Leader Nancy Pelosi, Senate Minority Leader Charles E. Schumer (D-N.Y.) and top Democrats on the House and Senate appropriations committees calls on Republicans to provide the funding as part of "a robust and urgent response" to the Russian government's attempts to interfere in American elections. "Congress must respond immediately to attacks on our democracy by a foreign adversary," the Democrats wrote. "We urge you to join us in vigorously combating efforts to sow discord in our country and support our state and local officials with the critical resources they need to protect our election systems."

Ryan Move to Replace Election Agency Leader Stirs Outcry POLITICO

House Speaker Paul Ryan faced Democratic criticism Thursday after choosing not to renew the term of a federal agency head who has helped lead the charge on securing elections from hackers. Matthew Masterson, chairman of the Election Assistance Commission, will depart once the Senate confirms a successor. His four-year term as a commissioner expired in December, but he has stayed while Ryan contemplated whom to recommend to President Donald Trump as a nominee for the seat. Ryan has decided that Masterson won't be on the list. Another commissioner was already scheduled to take the chairman's slot on Saturday, but Masterson could have remained as a commissioner if he were re-nominated.

Gillibrand: Corporations Own D.C., We Need Publicly-Funded Elections

The Washington Free Beacon

Democratic Sen. Kirsten Gillibrand (N.Y.) said Tuesday that corporations own Washington, D.C., and called for publicly-funded elections to take money out of politics. Gillibrand blasted current campaign finance rules during an appearance on CBS's "The Late Show" with host Stephen Colbert. "Is Washington owned by corporations, as we all cynically fear?" Colbert asked Gillibrand. "Well, yeah," the senator responded. "I believe that—first of all, we have dark money in politics. We have unlimited corporate spending with no accountability, no transparency. So we have to get the money out of politics ... It undermines our democracy." Gillibrand, whose name has been floated as a potential 2020 presidential candidate, then touted her recent vow to stop accepting campaign donations from corporate political action committees. She joined Sens. Bernie Sanders (I., Vt.), Elizabeth Warren (D., Mass.), Maria Cantwell (D., Wash.), and Cory Booker (D., N.J.), in pledging to no longer accept PAC money.

IN THE STATES

Pennsylvania Supreme Court Draws New Congressional District Map

The Washington Post

Pennsylvania's Supreme Court has redrawn the map of the state's congressional districts, overturning a Republican gerrymander that's been used in the past three congressional elections.... The new map more closely reflects the partisan composition of the state, all but ensuring that Democrats will pick up several new U.S. House seats in November. It's also more compact than Republicans' original map, and it splits fewer counties and municipal areas — a key concern of the court as it sought to ensure voters' ability to participate in "free and equal" elections.... The original Republican-drawn map had become the butt of national jokes due to its reliance on strange, sprawling shapes to create a balance of electoral power heavily tilted toward the GOP. While Democratic candidates for the state's 18 U.S. House seats tend to capture about half of the statewide popular vote, that's translated into just five of the 18 seats in each election held since the 2011 redistricting.

*Related Story: The New Pennsylvania House Districts Are In. We Review the Mapmakers' Choices.

*Related Story: <u>PA Congressional Districts Could Be Challenged on Civil Rights Grounds</u>.

Could Public Funding of Elections Revolutionize Politics?

Salon

In an effort to bring new candidates and re-energize local politics, the WFP has been working to promote the public funding of elections in municipal races. The group's efforts succeeded last week when the city council in Washington, D.C., voted unanimously to establish a new public campaign finance program.... The proposed Washington system would require candidates to raise a minimum amount of money, after which they will receive a base amount and then five-toone matching funds.... In addition to making it easier for lesser-known and under-financed candidates to have a chance, the much lower limits (a maximum donation of \$200 per person) and the matching funds are designed to help candidates get out into the community and interact with voters.... The proposed D.C. law shares similarities with laws enacted by Wisconsin and Minnesota that only provide partial funding to candidates. In contrast, systems implemented in Arizona, Maine and Connecticut have been billed as "clean election" plans because they only require candidates to raise a small amount via low-dollar donations in order to qualify for a much larger amount from the government. Candidates who opt-in to the system cannot receive private contributions after doing so.... It's too early to say whether public financing of elections will have a major impact on the ailing state of our democracy, but it seems clear that various cities, counties and states are eager to find out.

KEY OPINION

Trump's 'Best People' and Their Dubious Ethics

The New York Times (Editorial Board)

President Trump's White House has been so scandal-plagued that controversies involving cabinet members and other high-level officials that would have been front-page news in any other administration have barely registered in the public consciousness.... Trump officials have been accused of wasting taxpayer dollars when they travel for work — or, in the case of one cabinet secretary, when they travel for a work trip-cum-European vacation. Others have appeared to misuse their positions to benefit special interests and political allies. Then there are those who have conscripted family members to help them do their jobs, possibly under the mistaken belief that it takes a village of people with the same last name to run a government department.... Perhaps we should not be surprised by these ethical lapses, given that the president himself has little interest in ethical niceties. He has refused to disclose his tax returns or divest businesses that may create conflicts of interest between Mr. Trump the executive and Mr. Trump the president.... Here are some of the recent scandals in Trumpland that deserve greater public scrutiny, or even congressional hearings and investigations.

Conservative Riders Would Unleash More Big Money in Politics

The Hill (Op-Ed by Rachel Curley of Public Citizen)

Now that Congress and the White House have reached a deal on the topline budget numbers, lawmakers are beginning to finalize appropriations bills to fund agencies throughout the government. But before Congress votes on these must-pass funding bills, hundreds of controversial poison pill riders conservative lawmakers have added to them must come out. Virtually all of these poisonous riders are special favors for conservative lawmakers' corporate and billionaire donors – giveaways that have nothing to do with funding our government. These measures could not become law on their own merits, so unscrupulous lawmakers have attached them as riders to must-pass spending bills. Of particular concern this year are riders that would further rig our campaign finance system for billionaires and big corporations.

How Democracy in America Can Survive Donald Trump

American Prospect

The country needs new leadership to bind up the wounds inflicted on American democracy, by restoring the principles of negotiation and implementing a democracy reform agenda. Leaders who emerge from the 2018 and 2020 elections must restore the effective right to vote, limit the disproportionate and corrupting role of money in politics, rebuild public institutions that have been defunded and privatized, and find areas of common ground among white and minority voters on the role of government as the guardian and promoter of economic fairness and equality of opportunity.... The next president must rebuild a functioning democracy, an effective government, and an equitable economy, while treating the opposition with comity and dignity. It's a tall order, but as Tocqueville might have observed had he lived through the full tumult of American history, we've done it before and can do it again.

