



## DEMOCRACY REFORM TASK FORCE WEEKLY NEWS ROUND UP

May 18, 2018

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### NATIONAL NEWS

#### [After China Approves Money for Trump Project, Trump Orders Help](#)

**The Huffington Post**

A mere 72 hours after the Chinese government agreed to put a half-billion dollars into an Indonesian project that will personally enrich Donald Trump, the president ordered a bailout for a Chinese-government-owned cellphone maker. “President Xi of China, and I, are working together to give massive Chinese phone company, ZTE, a way to get back into business, fast,” Trump announced on Twitter Sunday morning. “Too many jobs in China lost. Commerce Department has been instructed to get it done!” Trump did not mention in that tweet or its follow-ups that on Thursday, the developer of a theme park resort outside of Jakarta had signed a deal to receive as much as \$500 million in Chinese government loans, as well as another \$500 million from Chinese banks. Trump’s family business, the Trump Organization, has a deal to license the Trump name to the resort, which includes a golf course and hotels.

*\*Related Story: [WH Can't Explain How Chinese Financing Trump Project Doesn't Violate Constitution.](#)*

#### [Donald Trump's Scottish Resort Paid by U.S. Taxpayers for VIP Visit](#)

**Scotsman**

The U.S. president’s resort at Turnberry received more than £5,600 in federal funds to provide accommodation for the trip earlier this year. According to a source at the South Ayrshire hotel and golf course, the stay was in connection with Mr Trump’s official visit to the U.K. scheduled for this July, which is expected to include Scotland in the itinerary. The payment, sanctioned last month by the U.S. State Department, represents the first time one of Mr. Trump’s Scottish businesses has received direct federal funding from his own government.

#### [Mueller Won't Indict Trump If He Finds Wrongdoing, Giuliani Says](#)

## **The New York Times**

The special counsel, Robert S. Mueller III, will not indict President Trump if he finds wrongdoing in his investigation of Trump campaign links to Russia, according to the president's lawyers. They said Wednesday that Mr. Mueller's investigators told them that he would adhere to the Justice Department's view that the Constitution bars prosecuting sitting presidents. The disclosure provides the greatest clarity to date about how Mr. Mueller, who is also investigating whether Mr. Trump tried to obstruct the inquiry itself, may proceed. If he concludes that he has evidence that the president broke the law, experts say, he now has only two main options while Mr. Trump remains in office: He could write a report about the president's conduct that Congress might use as part of any impeachment proceedings, or he could deem the president as an unindicted co-conspirator in court documents.

*\*Related Story: [Mueller Sends Subpoenas to Consultant for Roger Stone Super PAC.](#)*

*\*Related Story: [Mueller Investigating Funds Used for Trump Inauguration.](#)*

*\*Related Story: [\\$1 Million Gift to Trump Inauguration Traced to Conservative Activists.](#)*

*\*Related Story: [Trump Joins Push by Allies to Expose Role of FBI Source.](#)*

## **[Trump Discloses Cohen Payment, Raising Questions About Omission](#)**

### **The New York Times**

President Trump's financial disclosure, released on Wednesday, included for the first time repayment of more than \$100,000 to his personal lawyer, Michael D. Cohen, in 2017, raising questions about whether Mr. Trump's sworn filing from a year ago improperly omitted the debt. In a highly unusual letter, the Office of Government Ethics alerted the Justice Department on Wednesday to the omission, telling Rod J. Rosenstein, the deputy attorney general, that the ethics office had determined "the payment made by Mr. Cohen is required to be reported as a liability." Mr. Trump's financial disclosure, released by the Office of Government Ethics, did not specify the purpose of the payment. However, Mr. Cohen has paid \$130,000 to a pornographic film actress, Stephanie Clifford, who has said she had an affair with Mr. Trump. Mr. Cohen has said he made the payment shortly before the 2016 election as hush money for Ms. Clifford, who goes by the stage name Stormy Daniels.

*\*Related Story: [Ethics Chief Knocks Trump Over Stormy Daniels Payment.](#)*

## **[Missing Files Motivated the Leak of Cohen's Financial Records](#)**

### **The New Yorker**

Last week, several news outlets obtained financial records showing that Michael Cohen, President Trump's personal attorney, had used a shell company to receive

payments from various firms with business before the Trump Administration. In the days since, there has been much speculation about who leaked the confidential documents, and the Treasury Department's inspector general has launched a probe to find the source. That source, a law-enforcement official, is speaking publicly for the first time, to *The New Yorker*, to explain the motivation: the official had grown alarmed after being unable to find two important reports on Cohen's financial activity in a government database. The official, worried that the information was being withheld from law enforcement, released the remaining documents.

*\*Related Story:* [Qatari Investor: Michael Cohen Asked Me for a Million Dollars.](#)

*\*Related Story:* [FBI Agents Said to be Probing Michael Cohen's Deal with Korean Firm.](#)

*\*Related Story:* [Cohen Worked on Moscow Trump Tower Deal Longer than he Told Congress.](#)

*\*Related Story:* [Business as Usual? Cohen Payments Look More Like a Smoking Gun.](#)

## [Kremlin Used NRA to Help Trump in 2016, Senate Report Says](#)

### **The Daily Beast**

The Senate Judiciary Committee said Wednesday that the Russian government apparently used the National Rifle Association to help Donald Trump's presidential campaign in 2016. Documents suggest the Kremlin used the NRA to offer the campaign a back channel to Moscow—including a potential meeting between Trump and Vladimir Putin—and might have secretly funded Trump's campaign, the committee said. One of the Russians named in the report even bragged she was part of the Trump campaign's communications with Russia. The NRA spent a record \$30 million on Trump and the FBI is reportedly investigating whether any of the money came from Russia. U.S. law prohibits foreign money to be spent on elections. Two Russian nationals figure prominently in the alleged scheme: Alexander Torshin, deputy governor of the Kremlin's central bank, and his then-deputy Maria Butina.

*\*Related Story:* [Top Republican Senate Says 'No Reason to Dispute' That Russia Favored Trump.](#)

*\*Related Story:* [Senate Transcripts Suggest Trump Jr. Was Willing to Collude with Russians.](#)

## [Mega-Donor Adelson, with Access and Influence, Scores Two Victories](#)

### **McClatchy**

These are heady days for casino billionaire and megadonor Sheldon Adelson. A passionate and hawkish advocate for Israel with close ties to its prime minister, Benjamin Netanyahu, Adelson was in Jerusalem today for a celebration of the U.S. embassy's relocation to that city, a longstanding priority for the mogul. Similarly, Adelson had pushed hard for President Donald Trump to pull out of the Iran nuclear deal, which happened last week. And the day after that announcement, Adelson quietly slipped into the White House for a private meeting with Trump

and three top administration officials: Vice President Mike Pence, Treasury Secretary Steve Mnuchin and an Adelson favorite, National Security Adviser John Bolton, according to two conservative sources familiar with the previously unreported private event.

## [Qatari Investor Confirms He Attended Trump Tower Meetings in 2016](#)

### **CNN**

A Qatari investor referenced in a series of tweets from Michael Avenatti this week confirmed to CNN through a spokesperson on Tuesday that he did attend meetings at Trump Tower in December 2016. The stated reason: Ahmed Al-Rumaihi wanted face time with Trump transition officials. "Mr. Al-Rumaihi was at Trump Tower on December 12, 2016. He was there in his then role as head of Qatar Investments, an internal division of QIA, to accompany the Qatari delegation that was meeting with Trump transition officials on that date," said a spokesperson for Sport Trinity, a company that Al-Rumaihi co-owns. "He did not participate in any meetings with Michael Flynn, and his involvement in the meetings on that date was limited." The spokesperson did not elaborate on which Trump transition officials attended those meetings or the substance of the meetings. After the story published, Qatar's media attaché in Washington, Jassim Al-Thani, explained in a statement that the meetings with the incoming administration in December 2016 were to discuss "many critical areas, including: regional security, military cooperation, counterterrorism, and economic partnership."

*\*Related Story: [The Michael Cohen Bribery Scandal Is Now a Trump Bribery Scandal.](#)*

## [Millions Flow to Fast-Growing Lobbying Firms with Ties to Trump Admin.](#)

### **USA Today**

Lobbying firms managed by former campaign aides, fundraisers and others with ties to President Trump and Vice President Pence have collected at least \$28 million in federal lobbying fees since Trump assumed the presidency, a USA TODAY analysis found. Leading the way: Ballard Partners, overseen by Brian Ballard, a veteran Florida lobbyist who raised money for Trump's campaign and inauguration. Its leadership includes Susie Wiles, who ran Trump's winning 2016 campaign in Florida. Although Trump campaigned on a pledge to "drain the swamp" of Washington special interests, his former political aides and other figures in his orbit are building larger profiles in the world of Washington influence he criticized.

## [Kushners Near Deal with Qatar-Linked Company for Troubled Tower](#)

### **The New York Times**

The company controlled by the family of the White House adviser Jared Kushner is close to receiving a bailout of its troubled flagship building by a company with financial ties to the

government of Qatar, according to executives briefed on the deal. Charles Kushner, head of the Kushner Companies, is in advanced talks with Brookfield Asset Management over a partnership to take control of the 41-story aluminum-clad tower in Midtown Manhattan, 666 Fifth Avenue, according to two real estate executives who have been briefed on the pending deal but were not authorized to discuss it. Brookfield is a publicly traded company, and its real estate arm, Brookfield Property Partners, is partly owned by the Qatari government, through the Qatar Investment Authority. Charles Kushner and his son Jared, President Trump's son-in-law and one of his key advisers, bought the office tower, which is between 52nd and 53rd Streets, 11 years ago for a record-setting \$1.8 billion. But the building today only generates about half its annual mortgage payment, and 30 percent of the 41-story tower is vacant.

## [Scott Pruitt on Capitol Hill: Round 3 in Progress](#)

### **The New York Times**

Scott Pruitt, the Environmental Protection Agency administrator, returned to Capitol Hill on Wednesday and was expected to field more tough questions from lawmakers about allegations of ethical abuses and excessive spending. The hearing, before the Senate Appropriations subcommittee on the environment, is Mr. Pruitt's third congressional appearance in a month. It is the first opportunity, though, for senators to ask Mr. Pruitt about his first-class travel, his renting of a \$50-a-night condo from the wife of a lobbyist with business before the agency and other issues that have become the subject of a series of investigations into Mr. Pruitt's stewardship of the agency. His earlier appearances were in the House. This week, a 12th investigation was announced, this one examining Mr. Pruitt's use of E.P.A. email addresses that he did not disclose, lawmakers said on Tuesday.

Here's what to watch for as Mr. Pruitt testifies.

*\*Related Story: [Pruitt Sought 24-7 Security from First Day, EPA Watchdog Says.](#)*

*\*Related Story: [White House, EPA Headed Off Chemical Pollution Study.](#)*

## [Former Trump Campaign Aide Is Helping Russian Firm Shed Sanctions](#)

### **CNN**

A former senior campaign and transition aide to President Donald Trump recently inked a deal to help a Russian oligarch's conglomerate shed sanctions the Trump administration slapped on them last month. Bryan Lanza, who is in regular contact with White House officials, is lobbying on behalf of the chairman of EN+ Group, an energy and aluminum firm presently controlled by Oleg Deripaska, according to several sources. Deripaska is a billionaire who is close to Russian President Vladimir Putin and was the target of US sanctions imposed last month. Lanza was a CNN political contributor but is no longer with the network. Lanza is representing the chairman of

EN+ Group, but not Deripaska directly. The company is seeking to reduce Deripaska's ownership in the company enough to be freed from U.S. sanctions.

## [Former For-Profit College Executive Shaped Education Department Policy That Could Benefit Former Employers](#)

### **ABC News**

A senior U.S. Department of Education official hired straight out of the for-profit college sector helped dismantle regulations designed to protect students defrauded by for-profit colleges into taking out five-figure loans on promises that they would get good jobs — a move that could benefit his former employers. Education Department adviser Robert Eitel, hired by the Trump administration last February after four years in the for-profit college industry, played a role in suspending an Obama-era policy known as "borrower defense to repayment." The rule made it easier for students, enticed into taking out five-figure loans on promises that they would get good jobs, to file for debt relief. It also allowed the government to recoup the losses from the schools. Ultimately, those potentially most impacted include many predominantly low-income, and minority students disproportionately represented at for-profit colleges and often saddled with high student loans and facing poor job prospects.

## [A Lawyer for Payday Lenders is Confirmed for FTC Job](#)

### **The New York Times**

The new director of the Federal Trade Commission's consumer protection unit, a watchdog with broad investigative powers over private companies, stands out even in an administration prone to turning over regulatory authority to pro-industry players. The director, Andrew M. Smith, has recently represented Facebook, Uber and Equifax — all companies with matters before the commission — and plans to recuse himself from dozens of cases now that he has been confirmed for the post. And in 2012, Mr. Smith was also part of the legal team that defended AMG Services, the payday lender founded by the convicted racketeer Scott Tucker, whose predatory practices against impoverished borrowers eventually led to a \$1.3 billion court-ordered settlement, the biggest in the commission's history.

## [Retiring Lawmakers Have Added \\$32.8 Million to Campaign Treasuries](#)

### **Map Light**

More than five dozen congressmen who have retired or plan to retire next year have raised at least \$32.8 million since the 2016 election, according to a MapLight analysis of campaign data. The 64 departing senators and representatives have accumulated \$95.1 million in campaign funds. At least \$87.3 million in campaign funds raised by retiring lawmakers is stored in committee treasuries, according to data compiled by the Center for Responsive Politics. The

surplus money can be transferred to a party, donated to other candidates, donated to a nonprofit foundation, or used to continue political activity of retiring lawmakers. Loopholes, however, are egregious and common. The remaining \$7.8 million balance in “leadership committees” is subject to fewer restrictions and can be kept by the retiring lawmakers.

## [Scam PACs Ripped Off Conservatives](#)

### **The Huffington Post**

Federal authorities arrested two Arizona brothers on Thursday and charged them with making millions of dollars through phony political action committees that scammed donors. William and Robert Tierney ran or were involved in nine different PACs that collected small donations solely to enrich themselves, prosecutors with the Southern District of New York allege in a criminal complaint. The supposed PACs collected \$23 million from 2014-2017 and routed the vast majority of the funds through a series of shell companies that either directly enriched the Tierneys or continued the fundraising scheme, the complaint says.

## [Court Ruling Could Prompt More Transparent Campaign Spending](#)

### **Center for Public Integrity**

The Federal Election Commission could begin demanding more information about the vendors and consultants political committees pay, thanks to a federal appeals court decision Friday. The impact of the decision — which could have implications for how precisely political committees such as President Donald Trump’s re-election campaign and the Democratic National Committee have to detail their spending — will rest on how the FEC chooses to apply it, several campaign finance experts said. “This could help the FEC be more aggressive about requiring specific and actual reporting of the use of campaign funds and limiting the use of subvendors,” said Larry Noble, general counsel of the Campaign Legal Center and a former FEC general counsel. “However, the FEC could also look at this and say it’s a unique situation involving a clear scheme to hide the use of the funds.”

## [Legal? Yes. Ethical? Meh. Our Flimsy Campaign Finance, Lobbying Laws](#)

### **CNN**

With Republicans staring down a blue wave in the fall, House Speaker Paul Ryan recently road-tripped to Las Vegas for an audience with billionaire GOP donor Sheldon Adelson.

There, without technically asking, Ryan helped secure from the casino magnate a \$30 million donation to a Republican-aligned super PAC. And the best -- that is, most cringe-inducing -- part? It was all totally legal -- a jarring reminder of how things continue to work in the "swamp" nearly 16 months after President Donald Trump was scheduled to begin drainage. To start, the Federal Election Commission remains understaffed at the highest levels. Two of six commissioner seats



remain unfilled, while the four still occupied are all held by commissioners working on despite their terms' having expired. Dysfunction at the FEC matters because it makes the enforcement and, crucially, interpretation of campaign finance law that much more difficult, if not impossible. And in a country with an excruciatingly (and increasingly) complicated campaign finance rulebook, the absence of a full roster of referees means it's become even easier to, if not break the law, then openly defy its spirit, although the real scandal may be that feints like Ryan's are apparently perfectly acceptable.

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## IN THE STATES

### [Sheldon Silver Is Convicted in 2nd Corruption Trial](#)

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

Sheldon Silver, the former powerful Democratic speaker of the New York State Assembly, was found guilty of federal corruption charges on Friday, less than a year after his first conviction on the same charges was thrown out. The guilty verdict was another turn in the extended epilogue of Mr. Silver's long career, which included decades holding sway over nearly every major aspect of New York politics, and an uncanny ability to dodge attacks from competitors, investigators and, until recently, prosecutors. Mr. Silver was convicted in 2015 on charges related to nearly \$4 million he obtained in illicit payments in return for taking actions that benefited a cancer researcher at Columbia University and two real estate developers in New York. The case was among a number of political corruption cases that were overturned after the United States Supreme Court in 2016 narrowed the activity that could constitute corruption. In a ruling that reversed the conviction of Bob McDonnell, a former Republican governor of Virginia, the court found that such activity must involve concrete and formal government decisions or actions, and not mere political courtesies like setting up a meeting.

### [Critics: Governor Race Shows Need for Campaign Finance Reform](#)

#### **The Associated Press**

This year's Illinois governor's race between uber-wealthy candidates could be the costliest in U.S. history and perfectly illustrates the need for a campaign finance system that isn't so rigged in favor of the rich, say critics pushing for a system that would match small donations with public funds. The small-donor matching program won approval in the Illinois Senate last year but its chances are bleak in the state House, despite the attention given to two inordinately wealthy candidates who are financing their campaigns with millions of dollars of their own money. Billionaire Democrat J.B. Pritzker has already contributed \$76.5 million toward his campaign and Republican Gov. Bruce Rauner has given \$50 million to his own. They are on track to surpass the



record-high \$280 million spent on California's 2010 governor's race, when Democrat Jerry Brown defeated Republican Meg Whitman.

## [Clean Elections Founder Raises Technicality on Ballot Issue](#)

### **Arizona Daily Sun**

The author of Arizona's Citizens Clean Elections Act wants a judge to block a vote on a plan by Republican lawmakers to take away some of the power of the commission that administers the program of public financing of candidates. In a new lawsuit, Louis Hoffman contends the referendum put on the November ballot by GOP lawmakers asks voters to make two changes to the law on public financing of political campaigns. Attorney Danny Adelman, who represents Hoffman, said the Legislature illegally combined the two changes into a single take-it-or-leave-it measure for voters. And that, he said, violates a provision of the Arizona Constitution which says all laws "shall embrace but one subject." What the lawmakers are trying to do, Adelman charges, is convince voters to accept the whole package — including sharp new restrictions on the Citizens Clean Election Commission — just because they may like the other half of the package which deals with how candidates can spend the public money they get. So he wants Maricopa County Superior Court Judge Teresa Anderson to block the measure from appearing on the November ballot. But Rep. Doug Coleman, R-Apache Junction, who is the sponsor of the measure, denied that the two issues are unrelated and said he believes they should be offered to voters in November as a single proposal.

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## KEY OPINION

## [A New Approach to Big Money](#)

### **The Concord Monitor (Op-Ed by Russ Feingold and Ro Khanna)**

Our democracy has long been ransomed by wealthy donors and powerful special interests. Wealthy donors account for a disproportionate amount of the \$6.8 billion spent in the 2016 election. Cynicism about politicians working only for special interests and wealthy donors isn't so much cynicism, but simply the truth for too many elected officials. The American people are fed up with a government that taxes them but doesn't work for them. This frustration is turning into calls to action for reform. Democratic congressional candidates are heeding the call, pledging not to accept corporate political action committee donations. Prospective 2020 Democratic presidential contenders have also made similar commitments to reject corporate PAC money. The rise of super PACs and dark money has been fueled by controversial Supreme Court rulings. Our highest court first breathed life into what amounts to the modern version of political corruption in the 1976 case *Buckley v. Valeo*, in which it ruled that

“independent” expenditures used to purchase political communication represented a form of speech protected by the First Amendment.

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## NEW REPORTS

### [The Brennan Center's Money in Politics Toolkit](#)

#### **Brennan Center for Justice**

Inaction by Congress and the Federal Election Commission has shown that meaningful change is unlikely at the federal level. But there is plenty that could be done on the state and local levels, consistent with Supreme Court precedent. More comprehensive laws can help amplify the voices of everyday citizens, empower voters, and boost confidence in the system. They also can protect the integrity of our institutions by increasing transparency, stemming corruption and influxes of illegal foreign money.

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