

# DEMOCRACY REFORM TASK FORCE WEEKLY NEWS ROUND UP

# August 24, 2018

# NATIONAL NEWS

# In Fallout from Trump Controversies, Republicans Warn Democrats Will Seek His Impeachment. Democratic Candidates Are Avoiding the Word.

## **The Washington Post**

There is a long history of midterm elections swinging in part on corruption scandals. Democrats began preparing for a similar campaign messaging effort shortly after Trump's inauguration in 2017, with weekly staff meetings in Pelosi's office and an initiative by Rep. John Sarbanes (D-Md.) to draft anti-corruption reforms, including new ethics rules and stricter campaign finance disclosure, that the party could pass into law if they win back control of the House. But as Democratic strategists studied the issue, they concluded that it was better to use questions of corruption to "caffeinate" other messages about health care, education and taxes.... Rather than talk about specific corruption in Trump's orbit, they prefer to talk more broadly about the problem in government. "It's a much more systemic problem now, and we have developed a much more systemic response to it," said Sarbanes. "People just want to see that there is that sense of responsibility and accountability to them and their priorities"

## All the President's Crooks

## The New York Times (Editorial)

From the start of the Russia investigation, President Trump has been working to discredit the work and the integrity of the special counsel, Robert Mueller; praising men who are blatant grifters, cons and crooks; insisting that he's personally done nothing wrong; and reminding us that he hires only the best people. On Tuesday afternoon, the American public was treated to an astonishing split-screen moment involving two of those people, as Mr. Trump's former campaign chief was convicted by a federal jury in Virginia of multiple crimes carrying years in prison at the same time that his longtime personal lawyer pleaded guilty in federal court in New York to his own lengthy trail of criminality, and confessed that he had committed at least some

of the crimes "at the direction of" Mr. Trump himself. Let that sink in: Mr. Trump's own lawyer has now accused him, under oath, of committing a felony.... The conviction of Paul Manafort, who ran the Trump campaign for three months in 2016, was a win for prosecutors even though jurors were unable to reach a verdict on 10 of the 18 counts against him.

\*Related Story: <u>Cohen Says He Arranged Payments to Women at Trump's Direction</u>.
\*Related Story: <u>Jury Finds Paul Manafort Guilty In Federal Tax and Bank Fraud Trial</u>.
\*Related Story: <u>With Cohen Implicating Trump, a Presidency's Fate Rests with Congress</u>.

# Trump, Republican Corruption Gives Democrats Opening for Midterms USA TODAY

Leading Democrats in Congress are seizing on the tidal wave of legal troubles hitting President Trump's allies to cast the Republican Party as deeply corrupt ahead of the fast-approaching midterm elections. Democratic leaders say they plan to make ethics a key pillar of their push to take the House majority this fall, arguing their party will serve as a check on what House Minority Leader Nancy Pelosi calls the Trump administration's "brazen corruption, cronyism and incompetence." ... "This is a president who promised people that he was going to be their voice, that he was going to return power to the people. But he's gone in the opposite direction," said Maryland Rep. John Sarbanes, who was tapped by Pelosi to lead a "democracy reform" task force for House Democrats. "Voters can't keep up with every breaking development and every new scandal that comes across the transom every day," Sarbanes added. "But they do understand that the way this president and his allies in Congress and his buddies like Duncan Hunter and Chris Collins are behaving is disrespecting the average person out there."

# Trump's Corrupt Inner Circle Won't Be Democrats' New Midterm Focus The Huffington Post

When Democrats do talk about corruption, it likely won't be in the form of broad-scale attacks on the Trump administration, but in promising to clean up Washington with good-government reforms.... Dozens of Democratic candidates have sworn off taking money from corporate PACs. And Pelosi has made it a key plank of the Democrats' "Better Deal" plan, rolling out proposals for automatic voter registration, strengthening ethics laws and overturning the Citizens United Supreme Court decision with a constitutional amendment. Rep. John Sarbanes, a Maryland Democrat who helped write the platform, said Democratic candidates are beginning to embrace it. "You get heads nodding, you can feel the sense of frustration and anger and cynicism in the public is broad and deep," he said. "The broken promise of Trump, that he was going to come to Washington, drain the swamp, clean it up, return power to the people — he's reneged on all of them, he's made the situation worse." ... For Sarbanes, however, the corruption message isn't about hammering away on individual bad actors like Cohen and

Manafort, but about showing how a corrupt system prevents good policy – how pharmaceutical company donations drive up drug prices and why Wall Street lobbies against minimum wage hikes. "This anti-corruption, reform message caffeinates every other message we're delivering," he said. "It's important for people not to get too bogged down in the latest specific scandal. This is like an impressionist painting or something, every breaking development is more paint on this picture of corruption," Sarbanes said. "If you're tired of looking at it, you should give Democrats a chance to prove we can do something different."

## When the Rules Matter After All

## **The American Prospect**

Several Democratic challengers are running on pledges to reject corporate PAC money and clean up Washington.... House Democrats are pushing a broad package of voting rights, ethics, and campaign-finance reforms. "I think there's an appetite in the public for real reform," says Representative John Sarbanes, a Democrat from Maryland who heads the House's Democracy Reform Task Force. "We intend to make it the first order of business legislatively if Democrats get the gavel back in the House, or Senate, or both." Democrats have long recognized that they must go beyond criticizing the Trump administration's ethics abuses, says Sarbanes, and push concrete proposals to restore accountability.

## White House Counsel Has Cooperated Extensively in Mueller Inquiry

### **The New York Times**

The White House counsel, Donald F. McGahn II, has cooperated extensively in the special counsel investigation, sharing detailed accounts about the episodes at the heart of the inquiry into whether President Trump obstructed justice, including some that investigators would not have learned of otherwise, according to a dozen current and former White House officials and others briefed on the matter. In at least three voluntary interviews with investigators that totaled 30 hours over the past nine months, Mr. McGahn described the president's fury toward the Russia investigators examining whether Mr. Trump obstructed justice a clear view of the president's most intimate moments with his lawyer. Among them were Mr. Trump's comments and actions during the firing of the F.B.I. director, James B. Comey, and Mr. Trump's obsession with putting a loyalist in charge of the inquiry.... Mr. McGahn was also centrally involved in Mr. Trump's attempts to fire the special counsel, Robert S. Mueller III, which investigators might not have discovered without him.

# Justice Department Seeks to Halt Lawsuit Involving Trump's Business

## The Washington Post

The Justice Department on Friday asked a federal judge to halt proceedings in a lawsuit involving President Trump's private business, arguing that allowing the case to go forward would "be a distraction to the President's performance of his constitutional duties." The lawsuit, filed by Maryland and the District of Columbia, centers on whether Trump is violating the Constitution by continuing to do business with foreign and state governments while serving as president. Earlier this year, U.S. District Judge Peter J. Messitte ruled that the historic case could proceed, opening the door for the plaintiffs to seek internal records from Trump's hotel in downtown Washington. In Friday's filing, the Justice Department sought to block the case on the grounds that Messitte was setting new precedent on complex issues involving a sitting president and asked that he put the case on hold until a higher court could review his rulings.... This sort of appeal is rarely granted, because lower court judges usually prefer to complete a full case before any appeal is made. Messitte likely will not decide until October.

# Officials Worry Trump May Back Erik Prince Plan to Privatize Afghan War NBC News

President Donald Trump is increasingly venting frustration to his national security team about the U.S. strategy in Afghanistan and showing renewed interest in a proposal by Blackwater founder Erik Prince to privatize the war, current and former senior administration officials said. Prince's idea, which first surfaced last year during the president's Afghanistan strategy review, envisions replacing troops with private military contractors who would work for a special U.S. envoy for the war who would report directly to the president. It has raised ethical and security concerns among senior military officials, key lawmakers and members of Trump's national security team. A year after Trump's strategy announcement, his advisers are worried his impatience with the Afghanistan conflict will cause him to seriously consider proposals like Prince's or abruptly order a complete U.S. withdrawal, officials said.

# In Dismantling Clean Air Rules, an Industry Lawyer Delivers for Ex-Clients The New York Times

As a corporate lawyer, William L. Wehrum worked for the better part of a decade to weaken air pollution rules by fighting the Environmental Protection Agency in court on behalf of chemical manufacturers, refineries, oil drillers and coal-burning power plants. Now, Mr. Wehrum is about to deliver one of the biggest victories yet for his industry clients — this time from inside the Trump administration as the government's top air pollution official. On Tuesday, President Trump is expected to propose a vast rollback of regulations on emissions from coal plants,

including many owned by members of a coal-burning trade association that had retained Mr. Wehrum and his firm as recently as last year to push for the changes.

\*Related Story: <u>E.P.A.'s New Coal Pollution Rules Will Lead to More Deaths</u>.

\*Related Story: Trump's Coal Emissions Rollbacks Will Be Bad for Country's Health, Experts Say.

# GOP Fundraiser Investigated for Effort to Sell Government Influence The Washington Post

# The Justice Department is investigating whether longtime Republican fundraiser Elliott Broidy sought to sell his influence with the Trump administration by offering to deliver U.S. government actions for foreign officials in exchange for tens of millions of dollars, according to three people familiar with the probe. As part of the investigation, prosecutors are scrutinizing a plan that Broidy allegedly developed to try to persuade the Trump government to extradite a Chinese dissident back to his home country, a move sought by Chinese President Xi Jinping, according to two of the people. They also are investigating claims that Broidy sought \$75 million from a Malaysian business official if the Justice Department ended its investigation of a development fund run by the Malaysian government. The Malaysian probe has examined the role of the former prime minister in the embezzlement of billions of dollars from the fund.

# Trump Loyalists Find Soft Landings After Getting Ousted

## POLITICO

Higbie is just one of the motley crew of die-hard Trump loyalists, ranging from Trump's exbodyguard to visible surrogates such as Katrina Pierson and Corey Lewandowski, who have found their way to a constellation of pro-Trump entities and outside political groups including the Republican National Committee, the Trump campaign, America First, or the Great America PAC. The practice of shuttling Trump allies over to these groups is getting new attention after former White House adviser Omarosa Manigault Newman revealed that Lara Trump, the president's daughter-in-law, had offered her a \$15,000-a-month contract as "hush money" to work for the campaign after she got fired, provided she sign a nondisclosure agreement. Several Trump allies and administration officials privately said they view these outside jobs like it or not — as a way to keep potentially problematic people on the payroll or to reward people for their extreme fealty.... Donors are starting to notice. Some have expressed concerns about hard-fought fundraising dollars bankrolling Trump's crew. The wall-to-wall coverage of the Trump campaign's \$15,000-a-month offer to Manigault Newman has revived long-simmering concerns about how donor money is being spent.

# Trump Tax Cut Unlocks Millions for a Republican Election Blitz

## The New York Times

Republicans are struggling to make the \$1.5 trillion Trump tax cuts a winning issue with voters in the midterm congressional elections, but the cuts are helping the party in another crucial way: unlocking tens of millions of dollars in campaign donations from the wealthy conservatives and corporate interests that benefited handsomely from it. Billionaires and corporations that reaped millions of dollars in tax cuts are pumping some of that windfall into the Congressional Leadership Fund, a "super PAC" closely aligned with Speaker Paul D. Ryan that is flooding the airwaves and front porches of swing congressional districts with increasingly sharp attacks on the Democratic candidates vying to wrest control of the House. The fund's donors include the casino magnate, Sheldon Adelson, who has given \$30 million, and whose company, Las Vegas Sands, reported a nearly \$700 million windfall from the tax law earlier this year; Timothy Mellon, chairman and majority owner of Pan Am Systems, a privately held collection of companies that includes rail, aviation and marketing services, who has contributed \$24 million; Valero Services, a Texas oil refining company that reported a \$1.9 billion benefit from tax cuts in the first quarter, and which has given \$1.5 million; and a collection of other corporations, executives and financial fund managers.

# Rep. Duncan Hunter and His Wife Indicted in Use of Campaign Funds CNN

Rep. Duncan Hunter and his wife, Margaret, were indicted Tuesday on charges related to the misuse of \$250,000 worth of campaign funds for personal expenses and the filing of false campaign finance records. The charges of wire fraud, falsifying records, campaign finance violations and conspiracy were the culmination of a Department of Justice investigation that has stretched for more than a year, during which the Republican congressman from California has maintained his innocence. The Justice Department said the Hunters are scheduled to be arraigned Thursday morning in federal court in San Diego.

# New Russian Hacking Targeted Republican Groups, Microsoft Says

## The New York Times

The Russian military intelligence unit that sought to influence the 2016 election appears to have a new target: conservative American think tanks that have broken with President Trump and are seeking continued sanctions against Moscow, exposing oligarchs or pressing for human rights. In a report scheduled for release on Tuesday, Microsoft Corporation said that it detected and seized websites that were created in recent weeks by hackers linked to the Russian unit formerly known as the G.R.U. The sites appeared meant to trick people into thinking they were clicking through links managed by the Hudson Institute and the International

Republican Institute, but were secretly redirected to web pages created by the hackers to steal passwords and other credentials. Microsoft also found websites imitating the United States Senate, but not specific Senate offices or political campaigns.

# FBI Probing Cyber Attack on Congressional Campaign in California Reuters

The U.S. Federal Bureau of Investigation is investigating a cyber attack on the congressional campaign of a Democratic candidate in California, according to three people close to the campaign. The hackers successfully infiltrated the election campaign computer of David Min, a Democratic candidate for the House of Representatives who was later defeated in the June primary for California's 45th Congressional district. The incident, which has not been previously reported, follows an article in Rolling Stone earlier this week that the FBI has also been investigating a cyber attack against Hans Keirstead, a California Democrat. He was defeated in a primary in the 48th Congressional district, neighboring Min's.... It is unclear who was behind the attack against Min's campaign, why it was carried out, and what the hackers did with any information they obtained. But details of the hack, described to Reuters by people with direct knowledge of the case, highlight the concerns of national security experts who fear that campaigns are woefully unprotected as the November mid-term elections approach.

## DNC Says Suspected Hack Attempt Turned Out to Be a Security Test

### The Washington Post

What the Democratic National Committee this week thought was an attempted hack of its valuable voter file turned out to be a security test organized by a state party, unbeknownst to the national organization. The committee on Tuesday alerted the FBI to a fake online portal it thought had been set up as an elaborate attempt to trick DNC staff into giving up their log-in credentials — through a hacker technique known as "phishing" — as a way to gain access to the party's VoteBuilder database. On Thursday morning, DNC Chief Security Officer Bob Lord reversed course. "We, along with the partners who reported the [fake] site, now believe it was built by a third party as part of a simulated phishing test on VoteBuilder," he said in a statement. "The test, which mimicked several attributes of actual attacks on the Democratic party's voter file, was not authorized by the DNC, VoteBuilder nor any of our vendors," he said.

# Facebook Identifies New Political Influence Operation Ahead of Midterms

## The New York Times

Facebook said it had identified a new political influence campaign on its platform that appeared intended to disrupt the midterm elections, with the social network finding and taking down 652 fake accounts and pages that were trying to sow discord around social issues.

Some of the accounts in the new influence campaign originated in Iran and Russia, Facebook said. The campaign's scale exceeded that of another influence operation that Facebook revealed last month, in which the company said it detected and removed 32 pages and fake accounts that had engaged in activity around divisive social issues ahead of the midterms. The revelations underscore how Facebook continues to be used as a weapon by others to try and influence the American electorate. After the 2016 presidential election, the company revealed that its site was used to spread divisive messages to voters on issues around race, gun control and the environment. The Internet Research Agency, a Kremlin-linked group, was at the center of an indictment this year alleging interference in the 2016 presidential election.

# Sen. Warren's Unveils New Reform Bill

## CNBC

Sen. Elizabeth Warren wants to ban members of Congress and the White House staff from owning individual stocks — and replace them with government-managed investment accounts. Those are just two of the dozens of proposals dotting the Massachusetts Democrat's sweeping new legislative package, the Anti-Corruption and Public Integrity Act, which she unveiled Tuesday. Warren said the bill is designed to "eliminate the influence of money in federal government." While the measure is unlikely to pass the Republican-controlled Senate, it comes amid speculation that Warren could run for president in 2020. President Donald Trump ran on "draining the swamp," but his administration has been racked with corruption scandals, while many of Trump's private businesses have reaped financial gains during the early stages of his term. Warren's bill would also impose a lifetime ban on lobbying for presidents and federal lawmakers, and would bar U.S. lobbyists from using foreign cash to affect American policy. It would slap new taxes on "excessive lobbying" of more than \$500,000 a year. It would bind Supreme Court justices to a code of conduct recognized by other federal judges.

# **KEY OPINION**

## Brett Kavanaugh, the Man Who Created the Super PAC

## The Washington Post (Opinion)

As a candidate, Donald Trump called super PACs "very corrupt," "a scam" and "a disaster," castigating both his fellow Republicans and his Democratic opponent for being dependent on cash from these groups. In a nation in which most voters believe their own representatives in Congress have sold their votes for cash or campaign contributions, his promise to "drain the swamp" resonated. So much for that. With President Trump's nomination of Judge Brett M. Kavanaugh to the Supreme Court, the president is attempting to place the man who created

the super PAC on the highest court in the land. When people complain about money in politics, they often bemoan the 2010 Supreme Court decision Citizens United v. FEC. But before there was Citizens United, there was Emily's List v. FEC, the 2009 case that allowed unlimited contributions to super PACs. Kavanaugh wrote the opinion in Emily's List as a judge on the U.S. Court of Appeals for the District of Columbia Circuit, striking down restrictions on contributions to independent political committees.... Opinion polls reveal that faith in our democracy is at a historic low, and super PACs have become powerful symbols of corruption. The judiciary's award of First Amendment protection to this form of barely disguised bribery may have made people angry enough to elect Trump. For the president to elevate to the Supreme Court the judge most responsible for the super PAC is the height of irony. Even if Kavanaugh's confirmation seems an all-but-foregone conclusion, opponents should make clear that the president has betrayed the people who elected him.

