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POLITICS

Lobbyists, Industry Lawyers Were Granted Ethics Waivers to Work in Trump Administration

By ERIC LIPTON and DANIELLE IVORY JUNE 7, 2017

WASHINGTON — Lance Leggitt helped collect \$400,000 in fees last year while working as a lobbyist to try to influence Medicare policy at the Department of Health and Human Services — an agency where he now serves as chief of staff.

Under an executive order signed by President Trump in January, lobbyists were banned from that kind of government work. But Mr. Leggitt is among a half dozen officials across the federal government who have been granted special waivers to disregard ethics rules, according to a new set of documents released Wednesday.

“Mr. Leggitt brings a unique blend of substantive health care expertise to HHS,” his waiver said.

The disclosures offer additional evidence that lobbyists and industry executives who can now shape policies benefiting their former clients and companies have been allowed to work in the Trump administration, even with the president’s vow to “drain the swamp” of influence peddling.

The documents were made public in response to a demand by the Office of Government Ethics for details on how the Trump administration is enforcing the

ethics policies.

One unexpected outcome was proof that the Obama administration, despite a much touted promise to make all of its ethics waivers public, stopped providing them to the Office of Government Ethics. As a result, three Obama-era waivers — two from the Justice Department and one from the State Department — that should already be public are being released for the first time.

Karen Florini left a job at the Environmental Defense Fund to take a post as a special envoy for climate change at the State Department, and she was given special permission to interact with the environmental group, despite an ethics ban that would have otherwise prevented her from communicating with it.

Walter M. Shaub Jr., the head of the Office of Government Ethics, said the discovery of these Obama-era waivers showed that his requests for these documents — which covered a one-year period and not just the Trump administration — were not political. In total, 17 of the 27 waivers he is making public were granted during the final months of the Obama administration.

“The fact that we discovered that two agencies failed to send us documents highlights the importance of O.G.E. conducting oversight activities like this,” Mr. Shaub said.

But the revolving door cases in the Trump administration generally involve individuals who had been retained by for-profit clients, and then took up matters that could benefit these former clients.

Brian Callanan, who works at the Treasury Department as the deputy general counsel, has been given an authorization because he worked recently at a law firm that handled federal housing finance matters after serving as a Senate aide. Mr. Callanan will still be able to handle legal matters related to housing finance, but he has agreed not to communicate with his old law firm. He has been assigned, while at Treasury, to look for federal financial regulations that could be revised or repealed.

Last week, a similar set of 14 waivers covering White House employees was made public, showing that former energy and financial services lobbyists had been

granted permission to handle policy matters overlapping with their recent private-sector work.

“Filling the administration with lobbyists and industry officials isn’t going to drain anything but taxpayers’ patience,” said Scott H. Amey, general counsel at the Project on Government Oversight, which requested copies of any waivers or recusals from 54 federal agencies, echoing the requests submitted by the Office of Government Ethics.

Some of the waivers were granted to overcome seemingly minor conflicts: John F. Kelly, the homeland security secretary, was granted a waiver to continue to handle policy matters related to Australia, whose government once paid him for a speech. Heather Nauert, a former Fox News anchor who now serves as State Department spokeswoman, was granted a waiver because she must communicate with Fox as part of her job. In the waiver, she is identified as Heather Norby, her husband’s last name.

The material posted Wednesday also includes a handful of waivers given at the end the Obama administration, including one granted to Susan E. Rice, whose family was an investor in Canadian energy companies, banks and other assets, even while she was President Barack Obama’s national security adviser. This waiver had been issued earlier in the Obama administration, but was revised last year based on changes in the investment portfolio. It was not released publicly before because under law these types of documents — related to the criminal conflict of interest rules — are made public only in response to a formal document request.

Mr. Trump’s ethics executive order adopted language first written by the Obama administration. The order prohibits new federal government officials who have worked as a lobbyist or an industry lawyer in the previous two years from handling matters they were involved with on behalf of their former clients. Waivers allow them to ignore this rule.

In the Trump administration, there also appear to be cases in which former lobbyists have taken government jobs overseeing issues that relate to their former employers but have not been granted waivers, at least based on what has been released so far.

The general counsel at the United States Trade Representative's office, Stephen P. Vaughn, for example, served as a lobbyist for United States Steel. According to his lobbyist disclosure report, Mr. Vaughn worked on "trade law reform proposals and implementation and enforcement of U.S. trade laws," with his efforts specifically focused on the United States Trade Representative in early 2015, which is within the two-year period that a ban would apply. More recently, he worked on the international trade practice at King & Spalding, a Washington law firm.

But no waiver or recusal notice has apparently been issued for him, according to a response provided by the agency.

A spokesman for the United States Trade Representative, in a statement, said Mr. Vaughn was following the rules.

"Stephen Vaughn has had and continues to have discussions about ethics issues with appropriate U.S.T.R. officials, and that is in full compliance with applicable ethics requirements," the statement said.

Geoffrey Burr, a former lobbyist for the Associated Builders and Contractors, served on the transition team in Mr. Trump's Labor Department while the agency was considering changes and delays to rules involving beryllium and silica, which are used in industry and have been linked to disabling lung diseases, and electronic reporting of workplace injuries and illnesses. Though the Associated Builders and Contractors has filed lawsuits against the agency, challenging all of those rules, and has lobbied hard against them, Mr. Burr's name was not among the list of those granted a waiver.

Neither the Labor Department nor the Transportation Department, where he currently works, has answered questions about whether Mr. Burr worked on issues related to any of those rules.

The waiver granted to Ms. Rice, who was the American representative to the United Nations and then Mr. Obama's national security adviser, relates to family holdings in Canadian banks and energy companies, including TransCanada, which sought approval from the Obama administration to extend the Keystone XL Pipeline. Ms. Rice was prohibited from participating in discussions related to

TransCanada, but she was allowed to be part of deliberations that might broadly affect the economic sector where her family had financial holdings, a so-called particular matter of general applicability.

Special authorizations were also granted to others, including Mary Jo White, then head of the Securities and Exchange Commission, allowing her to participate in a decision even though her husband's law firm represented a witness in the matter, the documents show. Other authorizations for relatively minor issues were granted to former Secretary of State John Kerry (he contributed a chapter to a book) and Samantha Power, the former United States ambassador to the United Nations.

Eric Lipton reported from Washington, and Danielle Ivory from New York.

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