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GOVT-523-002

17 April 2009

President Obama's Attempt to Close the Revolving Door and Its Impact on Advocacy

In the closing months of the dynamic 2008 presidential election, there was a shift in the key issues that mattered to voters. Throughout this changing political climate, the activities of lobbyists and special interests remained a top issue, and this sentiment was reflected in the rhetoric of presidential candidates John McCain and Barack Obama. The two candidates campaigned against lobbyists and the “culture of Washington” that lobbyists represented.<sup>1</sup> From the outset of his campaign, Barack Obama made it clear that, as president, he would actively end lobbyist involvement in setting the agenda as well as “launch the most sweeping ethics reform in US history” to make government more “accountable and responsive to the American people.”<sup>2</sup>

Obama viewed the relationships that exist between well connected lobbyists and policy makers as being a major hindrance toward advancing the public interest. As a result, President Obama sought to quell the influence of special interests, create a new culture of accountability, and end the revolving door that allows lobbyists easier access to policy makers.<sup>3</sup> To accomplish these goals, on his first day in office, President Obama symbolically signed an executive order to outline the ethics commitments taken by

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<sup>1</sup> Kosterlitz, Julie. “Obama Aiming to Lock Turnstile for Lobbyists.” National Journal Magazine. 21 March, 2009.

<sup>2</sup> Trudeau, Dan. “Obama Courts Independents.” New Hampshire Public Radio. 21 December 2007. <http://www.nhpr.org/node/14408>. Accessed 12 April, 2009.

<sup>3</sup> Branigan, William. “Obama Announces Guidelines to Limit Lobbyists’ Influence on Stimulus Effort.” *The Washington Post*. 20 March, 2009.

executive branch personnel, which also reformed lobbying practices.<sup>4</sup> This executive order, specifically its provisions intended to close the revolving door, places several professional restrictions on people who have been, are currently, or will be registered lobbyists. These restrictions affect how lobbyists can interact with past employers, certain issues, the executive branch and particular agencies, during and after their term.

However, this executive order unfairly hinders policy experts from working in their particular fields while allowing the administration to appoint the lobbyists it desires through waivers.<sup>5</sup> Although created with the public interest in mind, this order must be revisited and refocused. Depicting lobbyists as the enemy to public interest demeans the work these professionals do in order to better government policies. President Obama's criticism of lobbyists and their involvement in the policy process should be narrowed towards defining and addressing potential conflicts and improving the vetting process for nominees and appointees, not towards preventing lobbyists, in general, from petitioning or working for the executive branch.

### **Problem: The Revolving Door and its Effects on Policy Makers and Public Policy**

The expertise, knowledge, and skills that lobbyists possess and refine make their time and input valuable to Congressmen and executive branch agencies when policies are being drafted, considered, or implemented. Lobbyists form a bridge between government and business by being effective advocates for their clients and the constituencies their clients may represent.<sup>6</sup> Effective lobbyists provide necessary research and information to policy makers so that they can make educated decisions on supporting or opposing

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<sup>4</sup> Obama, Barack. "Executive Order – Ethics Commitments by Executive Branch Personnel." [www.WhiteHouse.gov](http://www.whitehouse.gov). 21 January, 2009. Accessed 12 April, 2007: [http://www.whitehouse.gov/the\\_press\\_office/ExecutiveOrder-EthicsCommitments/](http://www.whitehouse.gov/the_press_office/ExecutiveOrder-EthicsCommitments/)

<sup>5</sup> Kosterlitz, 2009.

<sup>6</sup> Owen, Daryl. "Exiles on K Street." *The Washington Post*. 03 April, 2009. A 19.

particular provisions.<sup>7</sup> The large majority of these professionals provide this information honestly and openly, as trust and credibility are essential for lobbyists to be successful and gain consistent contacts. Lobbyists not only petition these public servants, but engage in full campaigns to successfully advocate their views. These campaigns require lobbyists to be substantive policy experts, able communications strategists, and knowledgeable in organizing and implementing: grassroots advocacy, coalition building and maintenance, TV and print ads, direct mail, and Web sites and blogs.<sup>8</sup>

It is no wonder that a revolving door exists between policy makers in the public sector and lobbyists in the private sector. The skills and experience that lobbyists possess make them ideal candidates for high level Congressional staff positions or high level executive branch positions. Lobbyists gain understanding and expertise in specific policy fields that are hard to match. Congressmen, Congressional staff, and executive branch staff also gain a similar understanding and expertise of the areas on which they focus, as well as in the policy process, making them ideal candidates to effectively advocate these issues for the private sector.

As lobbying for the private sector provides much larger salaries than working on the Hill or in the executive branch, this revolving door spins quite frequently.<sup>9</sup> This has led to an intricate network of people working in several capacities in both the private and public sectors (see Appendix I). As the revolving door perpetuates this network, a limited number of people are able to gain valuable contacts and influence with the individuals, groups, and agencies that shape public policy.

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<sup>7</sup> Salant, Jonathan D. "The Lobbying Game Today." Extensions. Bloomberg News: Washington. Fall 2006.

<sup>8</sup> Vaida, Bara, Eliza Newlin Carney and Lisa Caruso. "Special Report – Potholes on K Street." National Journal. 25 March, 2009.

<sup>9</sup> Vaida, 2009.

Ethics concerns arise when these insiders use their contacts and leverage to gain unequal access to policy makers in order to advocate and advance the select interests of their clients. Currently, the competition among interest groups is increasing, the number of lobbyists is increasing, and Congressmen spend less time on the Hill than ever before while managing tight schedules. These factors make it impossible for all interests involved in a particular matter to gain access to policy makers and share information<sup>10</sup>. This situation makes it easier for established insiders to gain the access they need to advocate their interests. As a result, many people (including politicians, Congressmen, lobbyists, and the public) fear that limited special interests are gaining an unfair advantage in shaping public policy, which undermines the overall public interest.

In 1970, only three percent of outgoing lawmakers pursued lobbying careers; The fact that thirty-two percent of such lawmakers currently go on to take up lobbying raises several questions,<sup>11</sup> as do the known actions of a few such lawmakers turned lobbyists. Did a lawmaker gain his new position as a reward for pursuing special interests? Did the organization illegally attempt to gain the lawmaker's support? Were better, more suitable policies not implemented in order to enact a policy that favors a small special interest?

In one case study, former GOP Representative W.J. Tauzin of Louisiana was the chairman of the House Commerce Committee, which regulates the pharmaceutical industry. During this time in Congress, he received \$9,000 from a political action committee (PAC) run by the Pharmaceutical Research and Manufactures of America (PhRMA) as well as \$91,500 from drug manufactures. Congressman Tauzin also managed the passage of the Medicare Drug Prescription Drug, Improvement, and

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<sup>10</sup> Vaida, 2009.

<sup>11</sup> Katel, "Lobbying Boom." *CQ Researcher*. CQ Press: Washington, 2005: 15.26. Page 631.

Modernization Act of 2003, which heavily favored the drug industry. Upon leaving Congress, Congressman Tauzin went on to become the president and CEO of PhRMA, a decision that was condemned by many ethics advocates and watchdogs, due to the fact that the policy initiatives he championed while in Congress were congruent with the needs of PhRMA.<sup>12</sup>

This revolving door and its possible negative aspects are also evident as lobbyists enter the public sector. Philip Cooney, a one time energy lobbyist turned White House official, was found to have tampered with and softened a George W. Bush administration policy statement on global warming. Upon resigning from the White House, Cooney went on to work for Exxon Mobil.<sup>13</sup> These two examples demonstrate the issues that can arise when Washington insiders have influence and relatively easy mobility between the public and private sectors and are perfect examples as to why further ethics reforms are needed.

### **Goals of President Obama's Executive Order: Closing the Revolving Door**

In focusing on the goal to close the revolving door, President Obama imposed the most far-reaching government ethics reform in decades by signing this executive order and demonstrated that he is working toward keeping his campaign promises of changing the culture of Washington<sup>14</sup> and not having lobbyists run his administration.<sup>15</sup> President Obama wanted to ensure that his administration will promote the public interest over any special interests. In order to ensure that his administration could be free to promote the public interest without distortions or influences from well connected lobbyists, President

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<sup>12</sup> Katel, 631.

<sup>13</sup> Katel, 631.

<sup>14</sup> Saslow, Eli. "White House Ethics? 'Mr. No' Knows." *The Washington Post*. 13 March, 2009: A 01.

<sup>15</sup> Martin, Jonathan. "Lobbyist Ban Limits Obama's Options." *Reuters*. 13 March, 2009.

Obama aims to eliminate the revolving door.<sup>16</sup> This elimination would restrict the mobility and access of lobbyists (or appointees turned lobbyists) in the public sector, which will protect public interest. The final goal of this reform, which already has high ethical standards, is to have this executive order be the basis for a longer-term initiative to further address ethical issues.<sup>17</sup>

### **The Reform: How the Executive Order Will Accomplish its Goals**

President Obama's executive order to improve the ethics standards practiced by his administration builds from previous legislation on ethics reform. The idea that a revolving door exists has been known for decades. In order to minimize the advantages Washington insiders gain from the revolving door, cooling-off periods were created by the Ethics in Government Act of 1978, calling for executive branch officials to wait one year to lobby former colleagues. In 1988, Michael Deaver, a former aide to President Ronald Reagan was sentenced to five years probation and assessed a \$100,000 fine for lying about violating this cooling-off period.<sup>18</sup> Deaver's case demonstrates that while most lobbyists follow the ethical guidelines within their profession, some lobbyists will still try to circumvent the law to gain an advantage. As a result, when these individuals are caught, and there is media coverage, the industry's image as a whole is damaged.

The Lobbying Disclosure Act (LDA) of 1995 required people who met certain guidelines to register as lobbyists. Cooling off periods were added to apply to Congressmen, officers, senior employees, and senior executive personnel from lobbying their departments, agencies, and colleagues for either one to two years, depending on

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<sup>16</sup> Gettlin, Robert, Bara Vaida and Eliza Newlin Carney. "Ethics Counsel on 'Transcending Special Interests.'" *National Journal Magazine*. 21 March, 2009.

<sup>17</sup> Gettlin, 2009.

<sup>18</sup> Katel, 623.

position.<sup>19</sup> Both the LDA and President Obama's executive order on ethics commitments include provisions that outline several ethical standards, but it is President Obama's initiative to close the revolving door that demonstrates his rhetoric towards lobbyists while on the campaign trail and while in the White House (see footnote below for the provisions he outlines).<sup>20</sup> Most importantly, the executive order prohibits anyone who has been a registered lobbyist within the past two years from gaining employment in the executive office, unless they receive a waiver. It also places restrictions on the contacts these people can have while in office as well as when they leave, for a period of two years, thus taking away any advantage a revolving door could offer.

### **The Impact of President Obama's Ethics Commitments**

Although President Obama's executive order was successful in creating a serious discussion about ethics, it has been received with heavy criticism from lobbyists and organizations in both the private and public sectors for being unfair and hypocritical.<sup>21</sup> The executive order is a far reaching ethical initiative which successfully hinders most lobbyists from taking an active role in the administration. However, David Wenhold, the president of the American League of Lobbyists, argues that the executive order is based on "flawed logic." Wenhold contends that it is not good business sense to prevent people from working in the areas of their expertise, because inferior policies may result.

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<sup>19</sup> Katel, 623 and 628.

<sup>20</sup> Obama, 2009. In banning the revolving door, executive agency appointees agree to: Appointees entering government will not participate in government business with past employers for 2 years; Lobbyists entering government will meet the requirement just listed as well as not: participate in any matter which he/she lobbied within 2 years, participate in an issue area related to that matter, or seek/accept employment with an executive agency he/she lobbied within 2 years of appointment; Appointees leaving government agree to not communicate with employees of former executive agency for 2 years; Appointees leaving government to lobby will abide by the previous restriction and not lobby any covered executive branch or Senior Executive Service appointee for the rest of the Administration; The Director of the Office of Management and Budget may grant a waiver of any restrictions if it is in the public's interest.

<sup>21</sup> Eggen, Dan. "Some Activists Barred from Government Work." *The Washington Post*. 22 March, 2009: A 04.

Wenhold also argues that it is unfair and unconstitutional to prevent one group of people from working in the administration.<sup>22</sup> By not allowing registered lobbyists to serve, the executive order demonizes the activities of lobbyists, but ignores the role that lawmakers, corporate executives, and other non-lobbyists can have in the policy process.<sup>23</sup>

President Obama's administration does not completely exclude lobbyists from being appointed or nominated. Waivers that allow lobbyists to work in the administration can be issued by the Office of Management and Budget (OMB) if it is shown to be in the public's interest.<sup>24</sup> In this sense, it could be argued that the executive order does protect the public interest over special interest. However, what is constituted as in the public interest can either be based on ethics or on opinion, opinions which reflect ideology and partisanship. As a result of these waivers, President Obama has appointed or nominated thirty registered lobbyists to senior positions in his administration, about eleven percent of the total nominated (see appendix II).<sup>25</sup> These appointments have made Obama's actions seem hypocritical to his promises and have kept the revolving door open, although it has been successfully slowed due to the executive order. However, President Obama and his administration have recognized that these ethics reforms are works in progress, and will be open to refinement and improvement.<sup>26</sup> The ability for these provisions to be reviewed and amended facilitates the making of a longer-term ethics initiative to take hold in the coming years.

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<sup>22</sup> Kosterlitz, Julie. "Obama Aiming to Lock Turnstile for Lobbyists." *National Journal Magazine*. 21 March, 2009.

<sup>23</sup> Eggen, Dan. "Public Interest Groups Decry Obama's Strict Lobbying Rules." *Washington Post*. 01 April, 2009: A3

<sup>24</sup> Obama, 2009.

<sup>25</sup> Kosterlitz, 2009.

<sup>26</sup> Kosterlitz, 2009.

Ironically, these ethics reforms have unintentionally created a demand for lobbying services. As these new reforms add further complexities to an already complex ethics system, companies are in need of lobbyists who can provide communications and legislative strategies that help them navigate within the system's guidelines, as well as provide consultation for any ethical questions that may arise.<sup>27</sup> The sweeping executive order also unintentionally blocked several sympathetic activists from being hired to the administration. Prior to the executive order, many groups, including nonprofit advocacy administrators, decided to err on the side of caution in complying with transparency rules and registered lobbyists when they did not legally have to.<sup>28</sup> As a result, over 700 lobbyists, groups, charities, and nonprofits have filed deregulation papers, as they can not serve in the administration as registered lobbyists.<sup>29</sup> Currently, one hopeful Obama appointee can not serve because she lobbied for a foster-care advocacy group.<sup>30</sup> The stringent and poorly defined label of "lobbyist" has deprived the administration of placing capable and highly qualified candidates who have spent their careers working in the public's interest.

### **Conclusions: The Future of President Obama's Ethics Reforms**

With the economic and financial situation of the nation, as well as the extraordinary amounts of money being spent by the government, the American public remains concerned over whether special interests are more readily able to advocate their narrow policy objectives, which would undermine what is best for the public interest. The increase in the number of lobbyists, the anti-lobbyist rhetoric, and the memories of

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<sup>27</sup> Carney, Eliza Newlin, and Bara Vaida. "Obama Versus K Street." National Journal Magazine. 21 March, 2009.

<sup>28</sup> Eggen, A 04.

<sup>29</sup> Eggen, 2009.

<sup>30</sup> Martin, 2009.

Jack Abramoff and other infamous lobbying and corruption scandals result in Americans and policy makers concerned over the balance of power in the policy process.

Barack Obama's executive order on ethics commitments represents a well intentioned policy that attempts to answer these concerns. However, signaling out lobbyists in this ethics reform is wrong and does not reflect the vital and currently irreplaceable services and information lobbyists provide to organizations, Congressmen, and to the executive branch. As these reforms are evaluated, it is imperative for President Obama's administration not to focus on limiting lobbyists in general, but on how to: attract and appoint high qualified experts in particular fields; avoid and handle potential conflicts of interests; improve transparency between the interactions of government officials and lobbyists, and improve the vetting process for executive branch nominees and appointees. In order to face the challenges that the economy, health care, energy policy, and environment present to the nation, government and the private sector will be required to work together.<sup>31</sup> Revised ethics commitments will need to allow all advocacy voices a chance to be heard while holding each party accountable to a high standard of behavior and transparency.

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<sup>31</sup> Owen, A 19.

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## Appendix II: Obama's Lobbyists

<b>Name</b>	<b>Position</b>	<b>Lobbied For</b>	<b>Key Clients</b>
Melody Barnes	Director, White House Domestic Policy Council	Raben Group	ACLU, Center for Reproductive Rights
Emmet Beliveau	Director, White House Advance Office	Patton Boggs	Fort Ticonderoga, Silverlink
Lanny Breuer	Assistant attorney general, Criminal Division, Justice	Covington & Burling	Schering-Plough, University of California, Yahoo
Cassandra Butts	Deputy White House Counsel	Center for American Progress	Center for American Progress Action Fund
Mark Childress	Chief of Staff, Health and Human Services, secretary	Foley Hoag	Educate Online, Susan G. Komen for the Cure
William Corr	Deputy secretary, Health and Human Services	Campaign for Tobacco-Free Kids	Campaign for Tobacco-Free Kids
Thomas Donilon	Deputy national security adviser	Fannie Mae	Fannie Mae
Derek Douglas	Special assistant to the president for urban affairs	Center for American Progress Action Fund	Center for American Progress Action Fund
Patrick Gaspard	Director, White House Office of Political Affairs	SEIU United Healthcare Workers East	1199 SEIU United Healthcare Workers East
David Hayes	Deputy Secretary, Interior	Latham & Watkins	San Diego Gas & Electric
Alan Hoffman	Deputy chief of staff to the vice president	Rand, Timmons & Co.	American Petroleum Institute, Rand, Visa USA
Eric Holder	Attorney General	Covington and Burling	Global Crossing
Sean Kennedy	Special assistant, White House Office of Legislative Affairs	AT&T Services and its affiliates	AT&T Services and its affiliates
Ron Klain	Chief of staff to the vice president	O'Melveny & Myers	Fannie Mae, Time Warner
William Lynn	Deputy secretary, Defense	Raytheon	Raytheon
Neil MacBride	Associate deputy attorney general, Justice	Business Software Alliance	Business Software Alliance
David McIntosh	Deputy associate administrator, EPA	Natural Resources Defense Council	Natural Resources Defense Council

<b>Name</b>	<b>Position</b>	<b>Lobbied For</b>	<b>Key Clients</b>
Cecilia Muñoz	Director, White House Office of Intergovernmental Affairs	National Council of La Raza	National Council of La Raza
Mark Patterson	Chief of staff, Treasury secretary	Goldman Sachs	Goldman Sachs
Susan Sher	Associate counsel to the president; counsel to the first lady	University of Chicago Hospitals	University of Chicago Hospitals
Dana Singiser	Special Assistant, White House Office of Legislative Affairs	Akin Gump Strauss Hauer & Feld	Citizens Education Foundation
Todd Stern	Special envoy on climate change, State	WilmerHale	Hartford Financial Services
Tom Strickland	Assistant secretary for fish and wildlife and parks, Interior	Hogan & Hartson	Amgen
Robert Sussman	Senior policy counselor, EPA	Latham & Watkins	Business Roundtable
Neera Tanden	Counselor, Health and Human Services	Center for American Progress	Center for American Progress Action Fund
Dan Turton	Deputy director, White House Office of Legislative Affairs	Timmons & Co.	Visa USA
Christine Varney	Assistant attorney general, Antitrust Division, Justice	Hogan & Hartson	Online Privacy Alliance
Richard Verma	Assistant secretary for legislative affairs, State	Steptoe & Johnson	CIGNA, Dish Network
Tom Vilsack	Agriculture Secretary	Dorsey & Whitney	National Education Association
Ronald Welch	Assistant attorney general, Office of Legislative Affairs, Justice	Zuckerman Spaeder	American Psychological Society, Justice Project

“Obama’s Lobbyists.” National Journal Magazine. 21 March, 2009. Pages: 38-39.