

The Salt Lake Tribune

Cannon staffer had questionable lobby link; David Safavian: His 'leave of absence' status from his lobbyist position raises loyalty issues; Ex-Cannon staffer had lobbying link

By Robert Gehrke
November 23, 2005; Page A1

WASHINGTON -- When lobbyist David Safavian signed on as chief of staff to Utah Rep. Chris Cannon in 2001, he left the door open to return to his old lobby firm and its lucrative stable of clients.

Safavian did not sever his ties with his lobbying firm, Janus-Merritt Strategies. Instead, he took a "leave of absence" to work for Cannon.

That continuing relationship between Safavian and his old firm, recently uncovered by a good-government group, casts a new light on actions by the congressman's office that benefitted Safavian's former clients. Ethics experts say that while such an arrangement is not illegal, it appears to be a conflict of interest and raises questions about Safavian's loyalties.

Safavian, who later was appointed the top procurement official at the White House budget office, now stands charged with five counts of making false statements and obstructing an investigation into his relationship with super-lobbyist Jack Abramoff. Arrested in September after resigning his federal post, Safavian has since pleaded not guilty to the charges, which do not involve his actions as Cannon's staff chief.

During Safavian's time with Cannon, however, the congressman took positions that helped several of Safavian's former clients, including the online gaming industry, telecommunications firms, a media giant and an Indian tribe.

Cannon's office said Safavian and Cannon agreed on the issues, and Cannon was not swayed by Safavian.

Charles Isom, a spokesman for Cannon, said the congressman was unaware that Safavian had considered his tenure with Cannon to be a leave from his firm.

"It was our understanding that when David Safavian left the firm he severed all ties," Isom said.

Safavian's 2001 congressional staff disclosure reports the leave of absence from the firm and his option to buy back his Janus-Merritt stock was uncovered by

the watchdog group Project on Government Oversight.

A spokesman for Williams Mullen, which acquired Janus-Merritt, had no information on Safavian's arrangement and a former partner in Janus-Merritt did not return a call to his office.

Safavian did not return to Janus-Merritt and sold his stock in late 2001. In May 2002, he took a job as chief of staff to the administrator of the General Services Administration, which manages federal property and later became the top procurement official at the White House budget office.

But the option for Safavian to return to the lobbying world would have given him incentive to boost his firm's interests while employed by Cannon, said Alex Knott, political editor at the Center for Public Integrity.

"It would create a very real conflict of interest for Safavian," agreed Mike Surrusco, director of ethics campaign at Common Cause. "You would wonder if he's putting the interests of Representative Cannon's constituents before the interests of his colleagues at his lobbying firm that he hopes to return to."

Jan Baran, a lawyer associated with Republicans and specializing in government ethics, said rules only limit House staff from earning outside income.

"Other than that there are no restrictions on working in a congressional office and promoting issues that are supported by the congressman which also may be consistent with the goals of a private organization, including a former employer's," said Baran.

But Nick Schwellenbach, of the Project on Government Oversight, said that "We do need to closely monitor people who go from the private sector, particularly lobbying firms, that could have a financial stake in what they do in the government."

Safavian's attorney, Barbara Van Gelder, said Safavian was traveling Tuesday and could not comment on his arrangement with Janus-Merritt.

The charges against Safavian allege that he told investigators that Abramoff had no business with GSA when he accompanied the lobbyist on a lavish golf trip to Scotland in August 2002. However, prosecutors say Abramoff was getting Safavian's help on two deals with GSA at the time of the junket.

Van Gelder has said prosecutors are squeezing her client for information on Abramoff, who is at the center of a widening investigation of members of Congress, possibly including former Majority Leader Tom DeLay and Representative Robert Ney of Ohio.

On Monday, Abramoff associate Michael Scanlon, who also went on the Scotland trip, pleaded guilty to conspiring to bribe a congressman and other public officials. Rep. Ney, R-Ohio, and former Christian Coalition leader Ralph

Reed Jr., also took part in the Scotland golf trip.

A conflict?

Rep. Chris Cannon stances benefitted some of David Safavian's former lobbying clients

*** Cannon fought a House bill seeking to ban online gambling, saying it could open the door to gambling in Utah. Safavian had lobbied for numerous gambling interests, including the Interactive Gaming Council.**

*** From 2001 to 2003, Cannon received more than \$33,000 from groups and lobbyists opposing the gambling legislation.**

*** Cannon went to bat for the Viejas Band of Kumeyaay Indians during a House Government Reform Committee hearing in 2002 when the band was having a dispute with a neighboring tribe. The Viejas band was a client of Janus-Merritt and contributed \$5,000 to the congressman.**

*** Cannon sponsored an Internet file-sharing bill in 2002, introduced shortly after Napster hired Janus-Merritt to lobby on the issue. Napster executives contributed \$2,750 to Cannon's campaigns.**

*** Cannon was a leading opponent of a major satellite television merger between EchoStar Communications and DirecTV. Janus-Merritt lobbied on behalf of Rupert Murdoch's News Corp., which opposed the merger and acquired DirecTV when the FCC blocked the EchoStar deal. Cannon received thousands of dollars from opponents of the EchoStar deal.**

*** Cannon issued a news release praising Covad Communications for lowering its rate for Internet access. Covad was a client of Janus-Merritt. Covad and its executives have contributed more than \$5,200 to Cannon.**