

# The Business Report

## The business behind ethics

By Jeremy Alford (Contact)

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The governor's opposition that day drew dumbfounded stares and even chuckles from some on the House and Governmental Affairs Committee. Astute legislators, many of whom want ethics reform as much as Gov. Bobby Jindal, were already writing the headlines in their minds. "We're here for transparency," says Rep. Cameron Henry, a rookie Republican from New Orleans. "The whole session deals with that and the governor doesn't want to join in for this particular purpose. It seems awkward to me—at best."

While Jindal, a Republican, is pushing legislation in the special session to force lawmakers and lobbyists to disclose many of their personal dealings, including money that is made and spent, his top lawyer balked at a bill earlier this month that would have opened up more of the administration's own records to public view.



Jindal

Jimmy Faircloth, the governor's executive counsel, offered an assortment of objections, but none were as sound as his argument on protecting certain documents related to economic development. For instance, companies that are negotiating with the state about a possible move to Louisiana or an expansion will not want their communications made public. "If it's going to be on the front page of the paper, that'll chill their interest," Faircloth says.

Whether he knew it or not, Faircloth created with his arguments one of the defining moments of the special session on ethics reform. He revealed what is already now obvious: Despite its good government legislation, this session is almost entirely all about business. There are bills that instruct lobbyists on how to do their jobs, others that tell legislators' siblings what work they can do privately and one in particular that affects how the Governor's Office generates revenues and creates jobs for the state's citizenry.

If the lion's share of Jindal's ethics package has anything in common, it's these underlying themes of business and money. Furthermore, the correlation begs an important, yet delicate question: Can ethics reform actually restrict business? In some respects, it could. But companies and special interests that are crying foul in this particular case study are being melodramatic, says Jim Brandt, president of the Public Affairs Research Council, a nonprofit think tank that helped craft some of the Republican governor's agenda for ethics reform. "I think everyone is overreacting. All of this will benefit the state in the long run," Brandt says. "And it's the right thing to do."

Still, there is a substantial unknown factor at play—the number of people that could potentially be impacted financially by the session is a moving target. The bills calling for a ban on state contracts for certain officials could affect as many as 3,000 people, according to a count by The Times-Picayune. Meanwhile, all of the proposed changes to the ethics code this session could collectively impact hundreds of thousands of Louisianans on the public dole, from city managers to janitors. In the end, the balance between ethics reform and business opportunities could mean a great deal to more people than originally thought.

Even the bill that prohibits lawmakers from receiving free event and sporting tickets has a worrisome element. Public reaction on the issue resides in the fact that lawmakers receive special treatment for football tickets to watch the New Orleans Saints or LSU Tigers play. The legislation in question, however, also bans cultural events as well. Many lawmakers receive such perks from lobbyists or athletic representatives, who are allowed under current law to spend up to \$100 per event, or \$500 annually, on each legislator.



Donahue

Sen. Nick Gautreaux, a Democrat from Abbeville, told his colleagues during a related floor hearing that his company had rewarded a contract recently to Acadiana Bottling to deliver Pepsi-Cola. “They ended up taking my family to the Hannah Montana concert. They had a suite at the Superdome,” he says. “But I got that as a businessman and not a legislator. Will I be prohibited from that?”

Senate President Joel Chaisson, a Destrehan Democrat who has handled most of Jindal’s bills in the Upper Chamber, couldn’t provide a definite answer, but suggested that if Acadiana Bottling has a lobbyist on the state level, it would be treacherous territory. In short, Gautreaux would have to walk a fine line with prospective marketers in his private business if the legislation passes.

Other hindrances expressed during the session have run the gamut. Lobbyists killed a provision that required them to report what they make from their clients in small financial brackets. In trade, they brokered a larger range so their competition couldn’t come in and undercut their deals. Rep. Karen Carter Peterson, a New Orleans Democrat, also jokingly wondered aloud if she would have to divorce her husband, political consultant Dana Peterson, because another Jindal-backed bill would prohibit lawmakers from paying family members through their respective campaign accounts.

And then there’s Rep. Jack Donahue, a freshman Republican who works as a general contractor in Covington. He says it’s unfair to penalize lawmakers for business they might have been conducting before being elected to the Legislature. He also questioned why the government would care if his brother’s private company is dealing with another private company that has a contract with the state—even if it’s unrelated to the work they do together.



Kurtz

He's referring to another administration bill that would prohibit lawmakers and their spouses from securing contracts with the state. Siblings, though, would still get a piece of the action, but only through competitively bid contracts. "I'm concerned about legislation that I feel would prohibit small businessmen in the Legislature," Donahue says. "It took us a long time to get businesspeople in the Legislature, and I think they are doing a good job. They provide a good mix."

Tommy Kurtz, president of Ascension Economic Development Corporation, a public-private partnership, contends all of these concerns have at least some merit, depending on the individual cases. But he adds, rightfully so, that the far-reaching benefits of ethics reform shouldn't be overlooked. He also threw out an idea for what could have been Jindal's most controversial bill of the year. "Why don't we just make them professionals and pay them a professional salary so they can spend more time representing their districts? Then they won't be influenced to take on more state work or be pressured by the private sector," he says. "But for now, what's important is for lawmakers to remember that business needs to be able to reach out to the Legislature and be part of the process. We still need a stake in what's going on."