

State &
Federal
COMMUNICATIONS

COMPLIANCE NOW



E-News from State and Federal Communications, Inc.

March 2009

Government Affairs

I walked in your shoes in February—I was in the office for just 11 days. I spent most of the time at the three conferences geared for government affairs folks—Public Affairs Council Grassroots Conference, Innovate to Motivate Conference, and Public Affairs Council PAC Conference.

The main topic of discussion at each of the programs dealt with social networking and the importance of using Facebook, LinkedIn, and Twitter to keep your team up-to-date on issues affecting the industry. Brad Smith, from the American Chemical Society, had a list of social networking groups at the Innovate to Motivate conference. I had to attend his session twice to make sure I had included all of them.

Professional development opportunities are important for government affairs and these three conferences are the ones most of us attend every year. We assist both the Public Affairs Council and Innovate to Motivate as sponsors, vendors, and all-around good members. We have included photos in this month's scrapbook.

I always feel it is the end of summer camp when the conferences are done because there are many of us who are a part of all of them. Until next month—and next February—keep your government affairs skills sharp ... and "friend" me on Facebook.

Elizabeth Z. Bartz
President and CEO



Summary of Changes

1. President Obama signed an executive memorandum, dated March 4, 2009, describing his plans to make Federal contracting more open and competitive. He directed the Office of Management and Budget, along with other agencies, and using input from the public, to develop and issue guidelines. The guidelines are to include the appropriate use of competitive procurement procedures in sole-source and other non-competitive processes, oversight of all contract types, assessment of the ability of the Federal acquisition workforce to oversee acquisitions appropriately, and clarification of when governmental outsourcing for services is appropriate. The guidance is to be issued by September 30, 2009.
2. The FEC rules for reporting contributions bundled by lobbyists, registrants, and the PACs of lobbyists and regis-



- trants was published February 17, 2009, and became effective March 19, 2009. Accordingly, reporting committees filing monthly will begin reporting in May 2009 those bundled contributions received in April. Quarterly filers will begin reporting in July 2009 those bundled contributions received in April, May, and June. Finally, semi-annual filers will begin reporting in July 2009 the bundled contributions received March 19, 2009, through June 30, 2009.
3. The Connecticut Citizen's Ethics Advisory Board issued Advisory Opinion Number 2009-02, which deals with the question of whether a drug maker is lobbying when it communicates with members of the Pharmaceutical and Therapeutics (P&T) Committee. The board concluded, in engaging in such activity, the drug maker is soliciting others to communicate with an executive branch official for the purpose of influencing administrative action and is, therefore, lobbying.
4. On February 24, 2009, the United States Supreme Court upheld an Idaho state law banning local governments from

- letting workers use payroll deductions to fund political action committees. In a 6-3 decision, the Court overturned a lower court's ruling and found that Idaho's ban on political payroll deductions, as applied to local governmental units, does not infringe on First Amendment rights. The case was *Ysursa v. Pocatello Education Association*, 07-869.
5. Tennessee published the 2009-2010 biennial contribution limits. Under the new limits, individuals can contribute an aggregate total of \$43,000 to all candidates and \$66,100 to all PACs in the two-year period. \$109,100 is the limit individuals can contribute in the aggregate to all candidates, multi-candidate political campaign committees, and political campaign committees controlled by a political party on the state or local level, or by a caucus of such political party established by members of either house of the general assembly.

The Jasos® Group – A Medicaid Resource

We are always looking for cutting-edge resources our clients can use to grow their businesses. With more than 180,000 new state bills, 20,000 proposed regulations per session, and nearly 350 P&T / DUR committee meetings, it is difficult to keep current on everything affecting your Medicaid business.

Based on conversations with many of you, we understand some of you are seeking additional help mining all this data for actionable information – bills, meetings, and deadlines that impact your business. Like scores of companies, you are being forced to “do more with less” in this economy without impacting results. At a recent PhRMA meeting, we met a firm that can help with critical needs in the Medicaid markets.

The Jasos® Group is a clinically based pharmaceutical consulting firm supporting its clients in the Medicaid markets in three ways: 1) Legislative Trigger Point Surveillance – alerting you to legislation and regulatory changes that affect your business; 2) Medicaid Formulary Access – managing state



protocols and clinically positioning your products for review at committee hearings, and 3) Pull-through Support – increasing product utilization through cost-effectiveness models, clinical studies, and disease state management programs.

What makes The Jasos® Group unique is it routinely presents its peer-reviewed analyses to state committee leadership and understands how to deliver practical information for those in the field.

As a suggestion and a value-added benefit to our clients, State and Federal Communications has negotiated with Jasos to provide you with a free 1-month trial of its Legislative Trigger Point Surveillance services, including access to its Dynamic Legislative Dashboard, P&T/DUR Meeting Alerts, and Priority E-mail services. If you would like to continue with the services, we have also arranged for you to have 2008 pricing for remainder of 2009!

To try the service free for 1 month, simply contact Jasos via its website, www.jasos.com or call 888-559-0785, x112. Let us know your thoughts about how the service is working for you. We will continue seeking ways to help add value to your business.

Employee Highlight - Myra Cottrill

Myra Cottrill, Esq. is our newest member of the Compliance Associate team. She joined State and Federal Communications in June 2008 as a Research Associate, where she honed her skills. Prior to that she was with a small law firm in the Cleveland area specializing in employment law. When asked about the most interesting part of her job, Myra stated it is the client interaction. She enjoys speaking with our clients on a day-to-day basis. She is a detail-orientated person and understands to do a great job, she needs to focus on the small details.



Outside of the office, Myra and her husband, Tom, spend time with two incredibly pampered cats in their hometown of Alliance, Ohio. The 45-minute commute to and from the office allows her time to catch up on the latest news on NPR.



You Should Know ... PAC Solicitation Rules in Michigan

by: Christine Wheeler, Esq., Research Associate

Michigan, known for having very restrictive PAC solicitation rules, mandates the following limitations for contributions:

For-profit PACs in Michigan are only allowed to solicit contributions from:

- ◆ Corporate stockholders;
- ◆ Corporate officers and directors; and
- ◆ Employees who have policy-making, managerial, professional, supervisory, or administrative non-clerical duties.

Not surprisingly, Michigan law prohibits PACs from using threats, coercion, physical force, making a contribution a condition of employment or membership, using or threatening to use job discrimination, or financial reprisals to solicit funds.

But what about using a more passive plan, such as a reverse check-off payroll plan, whereby an employee can just check a box to opt out of automatic deductions? Such a plan is not allowable under Michigan law.

Also, a PAC can only obtain contributions from an automatic payroll deduction plan in Michigan if each contributing individual affirmatively consents to the

contribution at least once in every calendar year.

Michigan is not just restrictive, Michigan is serious.

Individuals who knowingly violate these provisions can be subject to felony charges – and can be fined up to \$5,000 or even imprisoned for up to three years.

Corporations knowingly violating these provisions can be fined up to \$10,000. And, if a corporation pays a bonus or otherwise reimburses a contributor, the corporation is subject to a civil fine equal to two times the total contributions obtained from all donors to the PAC during that calendar year.

House Bill 4284 introduced February 17, 2009 by Representative Fred Miller would eliminate the annual signature requirement for employee payroll contributions to PACs. The bill is currently under consideration by the Labor Committee.



Landmark Series – Presidential Libraries

This article is one of an ongoing series that focuses on historical and/or significant landmarks. The information below was gleaned from www.whitehouse.gov, http://en.wikipedia.org/wiki/harry_s._truman, and www.trumanlibrary.org.

There are currently 13 libraries in the United States dedicated to the work of a past U.S. President. They are Herbert Hoover, Franklin D. Roosevelt, Harry S. Truman, Dwight D. Eisenhower, John F. Kennedy, Lyndon B. Johnson, Richard M. Nixon, Gerald R. Ford, Jimmy Carter, Ronald Reagan, George H.W. Bush, William J. Clinton, and George W. Bush [currently at Southern Methodist University.]
During 2009, we will be sharing a little bit about each of these Libraries.
They are each a tribute to one of 44 men who have taken on the role of President of the United States.

Harry S Truman [1884-1972] 33rd President of the United States

Harry S Truman was born in Lamar, Missouri, in 1884, and grew up in Independence, Missouri. Truman liked to talk about the fact that he didn't have a middle name. His initial "S" was used out of respect for two friends of his father who had names beginning with the letter "S."

He served in France during World War I as a Field Artillery captain. Upon returning to the US, he married Elizabeth Virginia Wallace, known as "Bess," on June 28, 1919, and opened a haberdashery (a men's clothing and accessories store) in Kansas City. The couple had one child, Mary Margaret. As an active Democrat, Truman was elected as a judge of Jackson County in 1922, and as senator of Missouri in 1934.

President Franklin D. Roosevelt selected Senator Truman as his vice presidential running-mate for Roosevelt's 4th run for president of the United States. Truman scarcely saw President Roosevelt and was vice president for less than three months when Roosevelt died and Truman became president. In that short time, Truman had not received any briefings on the development of the atomic bomb or the unfolding difficulties with Soviet Russia. However, when Roosevelt died on April 12, 1945, these and many other wartime problems became Truman's responsibility.

Truman made some of the most crucial presidential decisions in history. Soon after V-E Day, the war against Japan had reached its final stages. Japan had rejected an urgent plea from the United States to surrender.

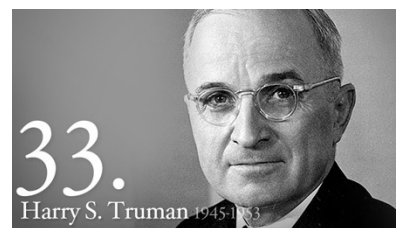
Truman, after consultations with his advisers, ordered atomic bombs dropped on Hiroshima and Nagasaki - cities devoted to war work. Japanese surrender quickly followed.

Following the war, Truman turned to domestic issues and presented to Congress a 21-point program proposing the expansion of Social Security, a full-employment program, a permanent Fair Employment Practices Act, and public housing and slum clearance, all of which became known as the Fair Deal. He negotiated an alliance to protect Western nations, the North Atlantic Treaty Organization [NATO], which was established in 1949.

Deciding not to run for re-election in 1952, Truman retired in 1953. He and Bess rode the train home to Independence, MO. He wrote an autobiography on being a senator, vice president to FDR, and president of the United States. He wanted to build a library to store his important gifts and papers. The residents from Independence donated the land in Slover Park, and Americans from all over donated to the building of the Harry S. Truman Library and Museum. The Library contains a replica of the Oval Office and Truman's famous "The Buck Stops Here" sign.

In 1965, President Lyndon B. Johnson signed the Medicare bill at the Truman Library and gave the first two Medicare cards to Truman and his wife Bess in honor of Truman's fight for government health care.

Truman died at age 88 on Dec. 26, 1972. Bess died 10 years later.



33RD PRESIDENT OF THE UNITED STATES

VICE PRESIDENTS –

NOBODY - [1945-1949]

ALBEN BARKLEY - [1949-1953]

PRECEDED BY FRANKLIN D. ROOSEVELT

SUCCEEDED BY DWIGHT D. EISENHOWER

See Us in Person

Plan to say hello at future professional development events where State and Federal Communications will be attending and/or speaking regarding compliance issues.

April 13 – 21, 2009	Greater Akron Chamber - Business Leaders Mission, China
April 23, 2009	WASRG Meeting, Washington, DC
April 23 – 25, 2009	NCSL Spring Forum, Washington, DC
May 11 – 13, 2009	U.S. Chamber Small Business Summit, Washington, DC
May 13 – 15, 2009	Ohio State Bar Association, Annual Convention, Cleveland, OH
May 18 – 21, 2009	BIO International Convention, Atlanta, GA
July 20 – 24, 2009	NCSL 2009 Legislative Summit, Philadelphia, PA

State and Federal Communications, Inc. Scrapbook



Judy Smeltzer, FMC Corporation with Elizabeth at the National PAC Conference, Orlando, FL



Elizabeth Z. Bartz with FEC Commissioner, Don McGahn



Michael Dunn and Karen Bauer Fabean of Dunn & Associates, Inc. with Elizabeth



Rikki Amos and Ashley Mancheni from PAC-Public Affairs Council with Elizabeth



Melissa Petro of Purdue Pharma with Nola Werren at the SGAC Annual Meeting in San Francisco, CA.



Photographer, Jake McGuire with Amy Reynolds, Public Affairs Support Services



Ellie Shaw, American Express and Elizabeth



Elizabeth Bartz with Ken Gross of Skadden Arps, and Bill Bertles of Democracy Data Communications