

Tough Obama ethics rules could hit K Street

By Jim Snyder



Peter Metzger
Vice Chairman, CTPartners

Government watchdogs heralded revolving-door rules signed by President Obama as a welcome sign that government jobs should not be viewed as a "meal ticket" to greater riches on K Street. But critics contend the lobbying restrictions could leave qualified job seekers thinking twice about joining the new administration.

The executive order President Obama issued Wednesday appeared designed to make good on a campaign promise to limit the role lobbyists will play in crafting policies in his White House.

The order prohibits administration appointees from accepting positions in federal agencies they had lobbied in the previous two years. It also blocks administration officials who go back to K Street from lobbying the executive branch — not a single agency, but the entire federal bureaucracy — for the remainder of Obama's presidency.

"No two ways about it, the revolving-door provisions in the new executive order issued by President Obama are very tough," said Meredith McGehee, policy director of the Campaign Legal Center, in a statement.

"They make clear that public service should not be viewed as a means of enriching oneself after leaving a federal position. Being called to serve your nation by the president is an honor, not a meal ticket or a lottery ticket to be cashed in on K Street."

But lobbyists and headhunters said the new standards could have a detrimental effect, even if they offer some reassurance to the public that big-moneyed interests don't wield undue influence.

Peter Metzger, of the search firm CT Partners, called the executive orders "well-intended." But he added the restrictions could also "shrink the talent pool" of available candidates because they prevent lobbyists who may be experts in a certain area like healthcare from accepting a position in the administration where that expertise could best be applied.

Candidates will also have to weigh whether employment in an Obama administration is worth some lost income potential down the road, Metzger said. Because exiting officials won't be able to lobby any executive agency they may be less attractive job candidates to companies, trade associations or lobbying firms, he said.

Nels Olson, managing director for the eastern region at Korn Ferry, a search firm, agreed that the "optics" of President Obama's executive order were sound, given the suspicion the public at large has of lobbyists. But the new restrictions could prove a challenge to attracting qualified candidates. Potential applicants he's talked to are already expressing some reservations about joining the new administration because of the rules.

Steven Hart, who worked in the Reagan administration and is now a lobbyist, said he's also already seeing some impact from the new rules. His firm has tried to hire more Democratic lobbyists only to be told they were trying to win appointment in the new administration. Some of those candidates are now reconsidering, said Hart, who runs the government affairs office at Williams & Jensen.

He said the new rules would affect younger staffers in particular who do not have the stature of a Tom Daschle, the former Senate majority leader who is nominated to run the Health and Human Services Department. Their expertise in a specific topic area is the one thing a firm like his would be most interested in, Hart said. The lobbying restrictions would cut off access to the entire executive branch of government, although lobbyists could still push policies on Capitol Hill.

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Not everyone agrees, however, that the new rules will be particularly restrictive. Ivan Adler, a headhunter at the executive search firm, the McCormick Group, said applicants shouldn't worry too much about the new limits once they decide to leave the administration.

"Someone is going to find a way to hire these people," Adler said. Washington is still governed by the "three Ps," he said: people, process and policy. If the new rules limit access to former colleagues in the administration, an ex-official will be sought after for his or her expertise on how the agency works or on particular policy issues, Adler said.

One loophole to the new rule is that exiting officials can always become "strategic consultants," guiding an advocacy campaign behind the scenes if not knocking on the doors of decision-makers. Consultants don't have to register as lobbyists.

"You don't necessarily have to become a shoe-leather lobbyist coming out of the administration in order to be valuable to somebody out there," Adler said.

Plus, officials will still be able to lobby Congress, where most of K Street's attention is focused anyway, Adler noted.

For now, the new restrictions are having the biggest impact on the administration itself.

The Senate Armed Services Committee put on hold a confirmation hearing for William Lynn, tapped for the number-two slot at the Defense Department, because of his work as a lobbyist for Raytheon, a top defense contractor. The committee was waiting for a waiver from the administration to the new lobbying rules. That waiver was expected to be released.

"Even the toughest rules require reasonable exceptions," White House press secretary Robert Gibbs said, according to The Associated Press