

A REPORT FROM THE ...



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Elected Office as a Family Business

There has been widespread media coverage about family members cashing in on the elected fortunes of nationally recognized political leaders. These leaders include Joe Biden, Nancy Pelosi, and Donald Trump. However, as you will see, you do not have to be the son, daughter, or spouse of the President of the US or the Speaker of the House to take advantage of opportunities that come when a family member is in elected office.

There are plenty of opportunities for relatives of lesser-known members of Congress to reap financial benefits. These members of Congress make the news with the routine business of introducing bills, endorsing candidates, and running campaigns, but avoid the media scrutiny of decisions and actions that benefit family members.

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The Jim Clyburn Endorsements

Political endorsements are used during elections to transfer the political popularity of one politician to another. In high stakes elections involving the presidency, regional endorsements by candidates are often sought to increase name recognition and convey acceptance in a state ahead of a primary election.

On June 2, 2008, South Carolina Rep. James Clyburn, the third-ranking Democrat in the US House of Representatives announced he would endorse



Rep. James Clyburn



Barack Obama for president.¹ Obama went on to win the South Carolina primary, defeat Hillary Clinton to win the Democratic nomination and then defeated Republican Senator John McCain to win the presidency.

Less than one year after the Clyburn endorsement, on April 29, 2009, the *Wall Street Journal* reported that President Obama had nominated Mignon Clyburn, the daughter of Jim Clyburn, to an open seat on the powerful Federal Communications Commission (FCC).²

At the time the job paid approximately \$150,000 a year, but more importantly, it provided Clyburn access to some of the most powerful industry representatives during a transformative time in telecommunications.³

Clyburn was reappointed by President Obama for another term in 2013, before finally leaving the FCC in 2018.⁴ However, eight months after leaving the FCC, Mignon was hired by the telecommunications company T-Mobile to offer advice about its merger with Sprint.⁵ The FCC eventually approved the merger that was completed in 2020.⁶

During her time on the FCC, 2009-2018, the amount of political contributions made to her father's campaign accounts from the communications industry increased relative to other industries. Another Clyburn presidential endorsement came ahead of the 2020 presidential primary and was also followed by another presidential appointment involving the Clyburn family.

On February 26, 2020, Representative Clyburn endorsed Joe Biden ahead of South Carolina primary.⁷ Biden won the South Carolina primary, the Democratic nomination, and the presidency.

On November 16, 2020, Mignon Clyburn was appointed to President Biden's FCC Review Team, which was tasked with assisting the transition for the new administration.⁸

This appointment was followed by the introduction of communications-related legislation by her father. On March 11, 2021, it was announced that US Senator Amy Klobuchar (D-MN), co-chair of the Senate Broadband Caucus, and House Majority Whip James E. Clyburn (D-SC) introduced comprehensive broadband infrastructure legislation to expand access to affordable high-speed internet for all Americans. The legislation would invest over \$94 billion to build high-speed broadband infrastructure in underserved communities.⁹ According to reports, the legislation would benefit one of Mignon Clyburn's former clients, T-Mobile.¹⁰

¹ <https://www.reuters.com/article/us-usa-politics-clyburn/south-carolina-rep-james-clyburn-backs-obama-idUSN0235151220080602>

² <https://www.wsj.com/articles/SB124105025793571073>

³ <https://www.federalpay.org/employees/federal-communications-commission/clyburn-mignon-l>

⁴ <https://www.fcc.gov/biography-former-commissioner-mignon-clyburn>

⁵ <https://www.politico.com/story/2019/02/04/t-mobile-fcc-clyburn-sprint-merger-1141966>

⁶ <https://www.fcc.gov/document/fcc-approves-t-mobilesprint-transaction-conditions>

⁷ <https://www.politico.com/news/2020/02/26/jim-clyburn-endorses-joe-biden-117667>

⁸ <https://www.fiercewireless.com/regulatory/former-commissioner-clyburn-named-to-biden-fcc-transition-team>

⁹ <https://www.klobuchar.senate.gov/public/index.cfm/2021/3/klobuchar-clyburn-introduce-comprehensive-broadband-infrastructure-legislation-to-expand-access-to-affordable-high-speed-internet>

¹⁰ <https://www.lightreading.com/5g/t-mobile-eyes-government-money-for-fixed-wireless-service/d/d-id/769487>



US Senator Chuck Schumer and Big Tech

Time Magazine recently reported that Senator Schumer was instrumental in killing two key Big Tech bills that would have changed “the rules of the game” for the industry and made markets more competitive, hurting tech companies like Amazon and Facebook.¹¹ What has not been widely reported is that Senator Schumer’s two daughters worked for Big Tech companies that would have been impacted by the legislation.



Alison Schumer (right)

In January of 2020, Jessica Schumer was hired to be a Senior Policy Manager at Amazon.¹² In addition, Schumer’s younger daughter son, has worked as a privacy and politics product marketing manager at Meta (Facebook) since at least 2017.¹³

Jessica Schumer, followed in her parents’ political footsteps. She first attended Harvard University and then Yale Law School, graduating in 2010. But much like her father, Jessica Schumer never practiced law outside of government. After her graduation she went to work as the Deputy Chief of Staff for the National Economic Council in the Obama White House. Then in 2013, she transferred to the Council of Economic Advisors to become its Chief of Staff and General Counsel.¹⁴ When she left the Obama White House, Jessica Schumer went to work for the Robin Hood Foundation as its Chief of Staff. Robin Hood is a charitable organization that aims to reduce poverty in the city of New York and is funded by donors from Wall Street’s most powerful figures.¹⁵ It is perhaps the most connected philanthropy organization in the city.

Jessica Schumer’s stint in politics did not end here. She became a platform drafter for the Democratic National Convention Committee and a policy advisor to vice presidential candidate Tim Kaine during the 2016 election season. Had the 2016 election turned out differently for Democrats, it is not difficult to imagine that eldest Schumer daughter would be back in the White House in some capacity. Yet, plans had to change. For a brief period, she



Jessica Schumer (l), Sen. Charles Schumer

¹¹ <https://time.com/6243256/schumer-kills-antitrust-big-tech-bills/>

¹² <https://www.linkedin.com/in/jessica-schumer-870b3bb5/>

¹³ <https://www.politico.com/newsletters/morning-tech/2022/02/22/lawmakers-family-connections-to-tech-spur-scrutiny-00010468>; <https://nypost.com/2018/11/17/schumer-got-50k-in-donations-and-a-job-for-his-daughter-from-facebook/>

¹⁴ <https://www.linkedin.com/in/jessica-schumer-870b3bb5/>

¹⁵ Ibid.; <https://www.influencewatch.org/non-profit/robin-hood-foundation/#:~:text=Criticism%20and%20Controversies,-Robin%20Hood%20previously&text=A%20report%20by%20the%20left,advocacy%20that%20favored%20their%20interests>



again moved away from politics and led an organization dedicated to supporting a streetcar in her neighborhood.¹⁶

The perfect opportunity seemed to come when Jessica Schumer was hired to be a Senior Policy Manager at Amazon. As part of her new job, Jessica Schumer became a registered lobbyist for the company in the state of New York. The most current registration shows the Schumer is registered with Amazon's team to lobby on "miscellaneous business — general" in the state.¹⁷ No doubt this was an easy sell to the company because of her family's deep connections to both state and local politics in New York.

This hire by Amazon occurred at an important time for the company, when distrust of Big Tech began to bloom on Capitol Hill and talks of anti-trust legislation spread. Ideological opposites as diverse as Senator Elizabeth Warren and then-President Donald Trump had called for action on Big Tech.¹⁸ In response, Big Tech started to "amass a lobbying army" for the coming showdown in Washington.¹⁹ In the first half of 2020, Facebook and Amazon invested over \$20 million in lobbying, breaking company records.²⁰

Now, with Jessica Schumer on board at Amazon, important anti-trust legislation targeting major tech companies came before the US Senate in the 2022 legislative session. As previously stated, Senator Schumer was key in shooting down two bills that would have been detrimental to Big Tech. The first piece of legislation, the American Innovation and Choice Online Act, would have "prohibited dominant tech companies like Amazon and Google from preferencing their own products over competitors that have to use their platforms to reach customers." The second, known as the Open App Markets Act, would have required Apple and Google to allow competing app stores to be available in the Apple App Store and Google Play store, respectively. Each of these pieces of legislation was passed out of committee by bipartisan coalitions and garnered support from most Democrats and conservative members like Senator Josh Hawley (R-MO), a major proponent.²¹

As the Majority Leader in the Senate, Chuck Schumer can control which legislation makes it to the floor and when that legislation is heard. In that role, he is, in essence, the guiding force of the Senate. Senator Schumer used this power to delay bringing the Big Tech accountability bills to the floor. Schumer claimed publicly that he supported the provisions, however, he claimed that he did not have the votes to pass the measures through the Senate. His claim was contradicted by Senator Amy Klobuchar, the Democratic sponsor of one of the bills, and Republican Senator Chuck Grassley, a Republican co-sponsor, who both said that they have the bipartisan votes to pass the legislation.²²

¹⁶ <https://www.linkedin.com/in/jessica-schumer-870b3bb5/>

¹⁷ <https://reports.ethics.ny.gov/publicquery/ViewFiling/NDIwMDUw0>

¹⁸ <https://www.newyorker.com/business/currency/how-elizabeth-warren-came-up-with-a-plan-to-break-up-big-tech>; <https://www.cnbc.com/2018/11/05/trump-looking-into-antitrust-violations-against-amazon-other-tech-giants.html>

¹⁹ <https://www.nytimes.com/2019/06/05/us/politics/amazon-apple-facebook-google-lobbying.html>

²⁰ <https://www.cnbc.com/2020/07/31/big-tech-spends-20-million-on-lobbying-including-on-coronavirus-bills.html>

²¹ <https://time.com/6243256/schumer-kills-antitrust-big-tech-bills/>

²² *ibid.*; <https://www.bloomberg.com/news/articles/2022-07-27/schumer-tells-donors-tech-antitrust-measure-is-unlikely-to-pass>



To kill the bills, Schumer publicly promised votes, but continued to delay any action on them until the end of the 2022 legislative session. Meanwhile, lobbyists for Alphabet, Apple, and Amazon have “given more than \$1.7 million in bundled donations to the Democratic Senatorial Campaign Committee (DSCC),” according to reporting by *Sludge*.²³ The DSCC is the party organization responsible for bolstering Democratic Senate campaigns and is Chuck Schumer’s tool to defend and increase his Senate majority.²⁴ Eventually the end of the session came and Schumer never took action on the bills.

Joe Manchin Helps West Virginia and His Family

In the 2020 elections, American’s votes led to a divided Senate. Senator Joe Manchin (D-WV) became one of the most pivotal members of the upper chamber because he often expresses more moderate views than the average Democratic senator and stands in firm support of the filibuster and the Senate as an institution. It was Joe Manchin that stood between President Biden’s sweeping “Build Back Better” agenda and its successful push through the Senate. Over time, Senator Manchin became more amenable to spending more and bypassing the filibuster for specific issues, contrary to his own views. This coincided with President Biden’s spring 2021 appointment of Manchin’s wife, Gayle, to be federal co-chair of the Appalachian Regional Commission (ARC), an important investment and grant distribution commission for their home state of West Virginia.²⁵ The position paid an annual salary of \$163,000.²⁶



Gayle and Sen. Joe Manchin

ARC was established in 1965 as “a unique federal-state partnership committed to strengthening Appalachia’s economy and helping the Region’s thirteen states achieve economic parity with the rest of the Nation.”²⁷ As West Virginia Governor Jim Justice expressed in an interview, ARC is perceived as an important partner for development in West Virginia, a state that suffers from a dying coal industry, unemployment, and substance abuse.²⁸ It is not difficult to understand how vital the ARC can be for bipartisan messaging in the state that suffers from such economic decline. Therefore, Biden’s appointment of Gayle Manchin to head the ARC is undoubtedly both a political and financial benefit to her and her husband’s family.



²³ <https://perfectunion.us/schumer-freezes-antitrust-bills-after-big-tech-lobbyists-bundled-millions/>

²⁴ <https://www.dsc.org/about-us/>

²⁵ <https://www.arc.gov/staff/federal-co-chair-gayle-conelly-manchin/>

²⁶ <https://www.foxnews.com/politics/senate-confirms-joe-manchin-wife-gayle-lucrative-federal-post>

²⁷ <https://www.arc.gov/arcs-history-and-work-in-appalachia/>

²⁸ https://roanoke.com/opinion/columnists/justice-arc-and-west-virginia-partners-in-a-state-of-improvement/article_bf025aac-f3b0-11eb-8a6e-ffb3ab70bba5.html



Since his wife was appointed as co-chair of ARC, Senator Manchin began to soften some of his views on his key issues. Early in March, Senator Manchin's statements on preserving the filibuster and calls for bipartisan cooperation worried progressives that he stood in the way of President Biden's radical economic agenda.²⁹ At the end of the month, President Biden nominated Gayle Manchin to ARC.³⁰ Manchin continued to express support for the filibuster and bipartisan cooperation, however, he began to shift on some issues.³¹ By July, Manchin said that he was open to the proposed \$3.5 trillion budget that Democratic leadership aimed to pass through budget reconciliation. Yet, he still holds reservations about the costs, saying he cannot guarantee passage until he knows how the bill will be paid for.³² In an early August vote, Manchin sided with the other Democrats to adopt the \$3.5 trillion budget resolution to begin negotiations.³³

The political appointment did not only serve to benefit President Biden's agenda, but potentially Senator Manchin's family as well. There is evidence that Gayle Manchin has used her position at ARC to benefit her husband's political supporters and her co-investors and to funnel grants to places the couple owned property.

On March 17, 2022, Gayle Manchin and ARC announced, "Appalachian Regional Commission Awards Nearly \$21 Million to Revitalize the Region's Coal-impacted Communities."³⁴ Of the three projects that received funding in the state of West Virginia, the Manchin family has both political and business connections to the West Virginia Regional Technology Park Corporation (WVRTP), which received a grant of \$866,762 to provide "hands-on" job training for under- and unemployed individuals.³⁵

Jack Rossi is the treasurer and a board member of the WVRTP. Rossi is also the treasurer of both Senator Manchin's campaign committee and leadership PAC, according to reporting by *Sludge*, an independent, non-profit news outlet that reports on corruption. Rossi has been affiliated with Manchin politically since at least 2010, when he first organized the campaign committee and has remained treasurer since then, according to *Sludge*.³⁶ In the award summary released by ARC, the commission says that "The project will work closely with local economic development organizations, such as the Charleston Area Alliance and local manufacturing industry partners."³⁷ In April of 2021, Jack Rossi was elected as the

²⁹ <https://www.nytimes.com/2021/03/07/us/politics/joe-manchin-filibuster-stimulus.html>

³⁰ <https://www.nationalreview.com/news/biden-nominates-joe-manchins-wife-to-co-chair-appalachian-regional-commission/>

³¹ <https://www.reuters.com/article/us-usa-budget-manchin-idUSKBN2BV03B>

³² <https://apnews.com/article/joe-biden-business-government-and-politics-personal-taxes-c80b07740f63853c78d41d900b265ed2>

³³ <https://www.cnn.com/2021/08/11/senate-passes-3point5-trillion-budget-resolution-after-infrastructure-bill.html>

³⁴ <https://www.arc.gov/news/appalachian-regional-commission-awards-nearly-21-million-to-revitalize-the-regions-coal-impacted-communities/>

³⁵ <https://www.arc.gov/wp-content/uploads/2022/03/POWER-2022-Award-Summaries-March-2022.pdf>

³⁶ <https://readsludge.com/2022/04/05/gayle-manchin-awards-grant-benefiting-her-husbands-political-helpers/>; <https://readsludge.com/about/>

³⁷ <https://www.arc.gov/wp-content/uploads/2022/03/POWER-2022-Award-Summaries-March-2022.pdf>



Chair of the Charleston Area Alliance board.³⁸ Rossi has “long been affiliated with” the Charleston Area Alliance, according to a review of state documents by *Sludge*.³⁹

Both Senator Manchin and his wife Gayle have also “directed millions of federal dollars to a small, pristine valley in West Virginia where the couple owns a condo.”⁴⁰ The Manchin’s purchased the property in Davis, West Virginia in 2011, according to the deed.⁴¹ In 2018, Senator Manchin secured \$7 million in funding to rebuild a visitor center at the Canaan Valley National Wildlife Refuge, located within a mile of his condo.⁴² In March of 2022, Senator Manchin secured \$8 million in funding for a Canaan Valley Wastewater System Improvement Project, again in the vicinity of his condo.⁴³ Gayle Manchin also used her position with ARC to secure funding for the area. In 2021, ARC provided a \$25,000 grant to the Canaan Valley Public Service District.⁴⁴

John Boozman and J.P. Morgan

It is not obvious at first glance, but the finance industry has a significant fiduciary interest in what happens in the House and Senate Agriculture committees. For example, over the last ten years, J.P. Morgan Chase Bank has been fined several times related to commodity trading practices by a federal agency under the authority of those committees.⁴⁵

On October 16, 2013, the US Commodity Futures Trading Commission (CFTC)—which “regulates the derivatives markets, including futures contracts, options, and swaps” —issued an order against J.P. Morgan Chase Bank detailing charges related to trading practices in violation of the “Dodd-Frank prohibition against manipulative conduct.” J.P. Morgan, which admitted to the findings was directed to pay a \$100 million civil monetary penalty.⁴⁶



Sen. John Boozman

On December 18, 2015, the CFTC issued an order filing and settling charges against J.P. Morgan Chase Bank related to the “failure to disclose certain conflicts of interest” to clients of its US-based wealth management business. The order required J.P. Morgan to “pay a \$40 million civil monetary penalty, to

³⁸ <https://charlestonareaalliance.org/alliance-announces-newly-elected-officers-and-board-members/>

³⁹ <https://readsludge.com/2022/04/05/gayle-manchin-awards-grant-benefiting-her-husbands-political-helpers/>

⁴⁰ <https://theintercept.com/2022/07/18/joe-gayle-manchin-condo-climate-canaan-valley/>

⁴¹ <https://www.documentcloud.org/documents/22088674-manchin-davis-wv-deed>

⁴² <https://theintercept.com/2022/07/18/joe-gayle-manchin-condo-climate-canaan-valley/>

⁴³ https://www.wvnews.com/news/wvnews/sen-manchin-discusses-west-virginia-earmarks-in-new-federal-budget/article_aea714d0-a135-11ec-9aa1-a7215284483f.html

⁴⁴ <https://governor.wv.gov/News/press-releases/2021/Pages/Gov.-Justice-announces-over-15-million-in-ARC-and-CDBG-CV-grant-awards-for-projects-across-West-Virginia.aspx>; <https://www.wboy.com/news/tucker/new-trails-aim-to-boost-tucker-county-tourism/>

⁴⁵ <https://www.cftc.gov/Agriculture>

⁴⁶ <https://www.investopedia.com/terms/c/cftc.asp>; <https://www.cftc.gov/PressRoom/PressReleases/6737-13>



pay disgorgement in the amount of \$60 million, and to cease and desist from further violations as charged.”⁴⁷

On December 21, 2021, the CFTC issued an order filing and settling charges against J.P. Morgan Chase Bank for “failing to maintain, preserve, and produce records that were required to be kept under CFTC recordkeeping requirements.” J.P. Morgan admitted to the facts in the order and was required to pay a \$75 million civil monetary penalty.⁴⁸

Given the obvious financial impact of the CFTC on the operations of financial institutions like J.P. Morgan Chase Bank, it is no surprise that the industry would lobby to influence policy originating from the House and Senate Agriculture committees.

Open Secrets reports that during the 2022 election cycle of the 117th Congress, the Financial/Insurance/Real Estate industry sector—through PAC and individual contributions—gave approximately \$49 million to members of the Senate Agriculture Committee. In comparison, the Agribusiness industry sector gave \$12 million.⁴⁹

Beyond campaign finance, J.P. Morgan’s contribution to influencing the Senate Agriculture Committee involves the daughter of the current ranking member of the committee, John Boozman.

Boozman, who is a Republican US Senator from Arkansas, was elected to that office in 2010 after serving in the US House from 2001 to 2011. He was subsequently reelected to the Senate in 2016, and again in 2022 for the term ending January 3, 2029.

Boozman has served on the Senate Agriculture Committee since 2011.⁵⁰ The committee has authority over commodities markets—regulated by the CFTC, which results in members drawing contributions and attention from the financial industry.⁵¹

Boozman’s daughter—Shannon Boozman—began work with J.P. Morgan Chase as a “senior government relations associate” in 2013. She became an official lobbyist in 2017 and was listed as Chief of Staff in 2021.⁵²

While there is no way of knowing how much J.P. Morgan is paying Boozman’s daughter, records indicate that from 2017 to 2021—when Shannon Boozman was a registered lobbyist—J.P. Morgan Chase spent approximately \$14 million on lobbying expenses.⁵³

⁴⁷ <https://www.cftc.gov/PressRoom/PressReleases/7297-15>

⁴⁸ <https://www.cftc.gov/PressRoom/PressReleases/8470-21>

⁴⁹ <https://www.opensecrets.org/cong-cmtes/overview?chamber=Senate&cmte=SAGR++&cmteid=&cong=117&cycle=2022>

⁵⁰ https://ballotpedia.org/John_Boozman

⁵¹ <https://www.opensecrets.org/cong-cmtes/overview?chamber=Senate&cmte=SAGR++&cmteid=&cong=117&cycle=2020>

⁵² https://www.legistorm.com/person/bio/267645/Shannon_Elise_Boozman.html

⁵³ <https://www.opensecrets.org/federal-lobbying/clients/lobbyists?cycle=2021&id=D000000103>

