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Boston Consulting's Hagerty calls Sethi 'Massachusetts Manny'

Republican U.S. Senate candidate Bill Hagerty is putting the theorem to the test that when it comes to political attacks, there is no such thing as a self-own.

Hagerty, a former Boston Consulting executive and a major financial backer of both of Mitt Romney's presidential bids, gave \$1,000 to Democrat Al Gore when he ran for president in 2000 and served on the regional selection committee of the nonpartisan White House Fellowship program under Presidents Bill Clinton, George W. Bush, and Barack Obama.

According to the torrent of ads unleashed by the Hagerty camp, Republican rival Manny Sethi's various political crimes include once serving on the board of the Massachusetts Medical Society (which backed Romney's health care program when he was the governor and later supported Obamacare), giving \$50 to a Democratic congressional candidate in 2008, and applying for a White House Fellowship under Obama.

Hagerty, who has made an endorsement from President Donald Trump the cornerstone of his campaign, is even channeling his political benefactor in bestowing a belittling nickname on Sethi: "Massachusetts Manny."

The Sethi campaign offers various defenses to the attacks and counters with arguments that everything Hagerty has done has been far more damaging in the eyes of the Republican base than the trifling issues being raised about the Vanderbilt surgeon. The choice comes down to "me or Mitt Romney's guy," Sethi says in an ad. Hagerty will be counting on the old political adage holding true that if you're explaining, you're losing.

Sethi hasn't been above making his own attacks, hitting Hagerty early and often for being part of the "professional political class." An animated ad launched in April used his opponent's full name, William Francis Hagerty IV, and depicted him grinning over a pile of cash, sipping champagne at a black-tie event, and posing in front of vintage sports cars parked at a mansion.

Hagerty had largely ignored those barbs while trying to project an air of inevitability about his campaign, even taking to mispronouncing Sethi's name as "Seddy" on the campaign trail. An internal poll earlier this

month showed Hagerty with a 16-percentage-point advantage, and a rival survey by the Sethi campaign showing a 2-point race was brushed off as wishful thinking. But then two outside polls were released suggesting the race was indeed closer than previously thought. The Trafalgar Group placed Hagerty's advantage at 42% to 39%, while JMC Analytics had the race at 30% for Hagerty and 27% for Sethi.

Questions have been raised about the independence of both companies for having used Sethi's pollster, Victory Phones, as a past vendor. But between the surveys and his high-profile endorsements by U.S. Sens. Rand Paul of Kentucky and Ted Cruz of Texas (the latter of whom came in second to Trump in Tennessee's presidential primary in 2016), the Hagerty camp is keen to squash any notion of losing momentum in the race. The attacks on Sethi appear aimed at undercutting criticisms of Hagerty's own past among movement conservatives — a not-so-subtle suggestion that neither is as ideologically pure as they seek to portray themselves.

Hagerty's campaign on Wednesday announced he was being endorsed by U.S. Sen. Marsha Blackburn (R-Brentwood), who in a release rattled off the laundry list of attacks on Sethi, such as that his medical nonprofit included board members who supported Democrat Phil Bredesen in her 2018 Senate race. The impact of Blackburn's endorsement was somewhat lessened by the general impression among political observers that she had been supporting Hagerty all along.

Unlike Blackburn's campaign two years ago, Hagerty has been deprived of an in-person appearance by the president. Trump did join Hagerty for what was billed as a tele-town hall late last week. But the call occurred on Friday evening — usually a time reserved for bad-news dumps — and lasted only about 10 minutes. Trump on the call lent credence to a tightening Senate race in Tennessee, calling it a "real primary."

A little help from his friends? While Sethi has been on the defensive over the Hagerty attacks, he has had the advantage in support from groups getting involved in the race. Outside PACs making independent expenditures in the race aren't allowed to coordinate

with campaigns. That means they can aggressively target the opposition while maintaining plausible deniability for the candidate they support.

Independent expenditures have been topped by the \$1 million spent so far by the Protect Freedom PAC, a Georgia-based group linked to Ron and Rand Paul, to support Sethi. Another group called the Conservative Outsiders' PAC has spent \$475,000 opposing Hagerty. The outfit started out with a \$100,000 contribution from David Ingram, Sethi's finance chairman, and had raised another \$75,000 from the American Association of Orthopaedic Surgeons' PAC.

The lone independent group working on Hagerty's behalf so far has been Standing with Conservatives, a PAC formed earlier this month. It has spent \$512,500 on an ad attacking Sethi for purportedly once supporting a liberal PAC that went on to back Black Lives Matter and Bernie Sanders' Democratic presidential bid. The \$50 donation in question was made through the online fundraising site ActBlue, which directed the money to a Democratic congressional candidate who defeated a GOP incumbent in Virginia in 2008.

Sethi's attorneys have written to Tennessee television stations warning them not to broadcast the ad on the basis that it is "knowingly dishonest." According to the letter, ActBlue is not, as claimed, a PAC but rather a conduit for donations made to candidates. Standing with Conservatives sent its own letter defending the ad, which remained on the air as of late this week.

There's a bit of an ironic twist to the ActBlue hubbub. National Republicans have scrambled to replicate the successful fundraising model with their own online donation processor called WinRed. Hagerty has collected more than \$130,000 through the site, while Sethi has managed to drum up less than \$5,000.

Bless your heart. The Senate contest isn't the only race featuring independent expenditures. In the GOP primary to succeed retiring U.S. Rep. Phil Roe (R-Johnson City), the Club for Growth announced it would pour more than half a million dollars to back state Rep. Timothy Hill of Blountville. That figure has ballooned to \$680,975, with the group spending 51% of the money on ads attacking Kingsport pharmacist Diana Harshbarger, 42% praising Hill, and 7% on negative mailers about state Sen. Rusty Crowe of Johnson City.

Another group calling itself the Bless Your Heart Coalition has spent \$15,000 opposing Harshbarger.

Legislative races

Pandemic, stop-and-go legislative session slowed fundraising efforts

When lawmakers decided in March to put the legislative session on hold for 75 days instead of adjourning for the year, they also halted fundraising efforts for their reelection campaigns. The blackout on donations from individuals expired on May 15, but it carried on for political action committees controlled by entities employing lobbyists until the General Assembly finally went home in the predawn hours of June 19.

That didn't leave much time to beat the bushes for PAC donations before the second quarter ended on June 30. Between the compressed timetable, economic uncertainty amid the pandemic, and a relatively underwhelming list of competitive races, the usual flood of PAC contributions slowed to a trickle this year.

PAC contributed \$456,589 to legislative candidates in the second quarter, a 71% drop from the \$1.6 million given during the same period in 2018. Two years ago, 41 committees gave at least \$10,000 in the second quarter, this year it was just seven — including the leadership PACs of House Majority Leader William Lamberth (\$46,500), House Speaker Cameron Sexton (\$19,353), and Rep. Pat Marsh (\$11,000).

The Wine and Spirits Wholesalers PAC, which topped the list with \$108,500 in contributions during the second quarter two years ago, gave just \$3,000 this time around. The Tennessee Highway Contractors and AT&T went from giving a respective \$93,000 and \$38,000 in 2018 to nothing this year. This quarter's top donor was the Tennessee Education Association, which spent \$62,870, about 18% less than two years ago.

The relative dearth of PAC contributions this year has given a few committees a more prominent role than they have been accustomed to in the past. The Tennessee Realtors' \$54,750 made the group the period's second-biggest donor. That compares with the \$12,750 it gave in the 2018, which ranked 32nd among PACs.

Twenty-seven candidates received at least \$20,000 from PACs in the second quarter of 2018. This time, that number was down to two: Senate District 26 candidate Jai Templeton (\$37,850) and House District 6 candidate Tim Hicks (\$21,100). The latter is challenging Rep. Micah Van Huss (R-Jonesborough), who in 2018 got an infusion of \$22,950 from PACs in the second quarter. This time his total was \$7,000.

None of this is to say PACs won't open the sluices in subsequent fundraising periods. But with early voting already underway, there's only so much time candidates have to sway their elections. The delayed start to PAC fundraising won't cause too much heartache unless a number of GOP incumbents fail to hold on to their seats on Aug. 6. If that happens, there are likely to be some serious questions asked about why House GOP leaders pressed for resuming the session when a March adjournment could have allowed lawmakers to start bolstering their campaign accounts sooner.

Not so special. Gov. Bill Lee still wants to call lawmakers back into a special session to pass bills to provide businesses with immunity from COVID-19 lawsuits and set reimbursement rates for telemedicine appointments. Both bills fell apart at the end of the regular session amid squabbling between Republican leaders in both chambers. The governor has said he wants lawmakers to return to Nashville following the Aug. 6 primary to try to put the pieces back together on both bills.

One complicating factor could be that incumbents gearing up for their general election campaigns would again be subject to a fundraising ban once they convene.

Tennessee News Digest

- The White House this week included Nashville among 11 cities where “aggressive” action is needed to curb the spread of COVID-19. The other cities are Baltimore, Cleveland, Columbus, Indianapolis, Las Vegas, Miami, Minneapolis, New Orleans, Pittsburgh, and St. Louis
- HCA Healthcare, the country’s largest private hospital operator, reported \$1.1 billion in second-quarter profits, a 12% decrease compared with last year. The

Nashville-based company, which received \$1.4 billion in federal coronavirus relief funds, said admissions were returning to pre-pandemic levels.

- The state Department of Health has introduced a Spanish language webpage covering COVID-19 resources.
- Franklin aldermen voted 8-0 to approve a draft agreement with the United Daughters of the Confederacy about who owns the town square in the

Williamson County seat. Under the deal, the city would recognize the land beneath the Confederate monument as belonging to the UDC. The remainder would fall under the city’s control, allowing the installation of markers and a statue detailing the African-American experience during the Civil War.

- Poultry processor Aviagen announced plans to add a \$35 million feed mill to its Pikeville plant, creating 36 jobs.
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According to the Tennessee Registry of Election Finance, the blackout would include donations from leadership and caucus PACs, as well as those controlled by companies employing lobbyists. A special session would not be expected to last more than a week, but for lawmakers already behind the eight ball on campaign cash, another delay may be hard to swallow.

Mixed messages. The nonprofit Tennesseans for Student Success has issued ratings of state lawmakers based on their votes concerning various education bills before them during the 111th General Assembly. Embattled Rep. David Byrd (R-Waynesboro) received an A rating from the outfit. But that didn’t stop the group from sending a a mailer detailing sexual misconduct allegations dating back to when Byrd was a high school girls basketball coach and telling voters to call to “tell him he has embarrassed our state and our community.”

Byrd, who has never explicitly denied the allegations, reversed course on an earlier pledge to retire at the end of this session. Donors haven’t exactly been rushing to support his renewed effort. He raised just \$10,500 in the second quarter, spent \$11,703, and had \$27,757 remaining. Notable contributions included \$1,000 from former Rep. Barry Doss (R-Leoma) and \$500 from Rep. Pat Marsh (R-Shelbyville).

Two Republicans have filed to run against Byrd in the primary, Austin Carroll of Hohenwald and Garry Welch of Savannah. Carroll brought in \$4,000 and loaned his campaign \$20,000. After spending \$17,560, he had \$6,447 on hand at the end of the period. Welch received \$9,100 in donations, loaned his campaign another \$5,000, and had \$12,137 remaining. Byrd, an opponent of school vouchers, long had the backing of the Tennessee Education Association, but the teachers’ union has been sitting out the District 71 race so far.

The voucher bill wasn’t included in the Tennesseans for Student Success report card. That didn’t stop the organization from criticizing Patti Bounds, a Republican candidate to succeed retiring Rep. Bill Dunn (R-Knoxville) in District 16, for opposing “Gov. Lee’s bill to expand public school choice.”

The legislation in question was Lee’s 2019 school voucher proposal championed by Dunn. The mail piece concludes Bounds, a Knox County School Board member, “sides with liberal Democrats over parents.” Bounds faces County Commissioner Michele Carringer in the GOP nomination contest.

Leatherwood seat. When former Shelby County Republican Party Chairman Lee Mills announced he would challenge freshman Rep. Tom Leatherwood (R-Arlington) in District 99, it was on the heels of the controversy surrounding the narrow passage of the governor’s school voucher law. The incumbent had flipped on his early opposition to the bill to support it by the time it reached the full Education Committee and the floor.

When the administration was pushing to get the voucher program off the ground just as school was scheduled to return next month, vouchers were widely expected to be front-and-center for primary campaigns. But the new law has been tied up in court, and the school year has been thrown into flux by the pandemic.

Mills has failed to find much financial support for his primary challenge. He reported just \$2,199 in contributions in the second quarter, including a \$500 loan from himself. Leatherwood didn’t exactly light his fundraising efforts on fire last quarter, either. He had just \$4,500 in contributions in the period, with all but \$500 coming from fellow House Republicans. But with an \$83,000 balance coming into the quarter, he still had \$74,650 on hand after spending \$12,519.

Staples seat. Rep. Rick Staples of Knoxville has had a rocky two years in office. He stepped down from a leadership role in the House Democratic Caucus after he was found to have violated the General Assembly’s sexual harassment policy. Staples was then evicted from his home earlier this year and has pleaded for “grace and mercy” from campaign finance officials for nearly \$9,000 in self-identified “grievous errors” in spending from his re-election account.

Staples, who is black, faces two challengers: Matthew Park and Sam McKenzie. A group called Black Coffee Justice endorsed Park, who is white, as best representing its aims on police and sentencing reform. McKenzie, who is black, hit back at Park as trying to obscure his previous GOP voting record before he decided to seek office. McKenzie charged Park and his “small, but loud” group of supporters aren’t proposing realistic solutions.

McKenzie raised \$11,950, including a \$2,000 loan from himself, in the quarter. Park collected \$18,958, including his own \$8,000 loan to his campaign. Staples got just three outside contributions: \$1,500 from the Tennessee Bankers Association, \$500 from the Tennessee Realtors, and \$1,000 from Democratic Rep. Bill Beck of Nashville. Staples had about \$7,318 remaining.

Tennessee Notes & Quotes

■ “Sixty years ago, he was a Fisk University student in Nashville protesting laws that did not allow him to sit at lunch counters because of his race. He died a member of the United States Congress and a winner of the Presidential Medal of Freedom. Tennesseans are grateful that he helped us understand better the meaning of equal opportunity.” — *U.S. Sen. Lamar Alexander (R-Marvillie) on the passing of John Lewis.*

■ **Alexander** praised the final passage of the Great American Outdoors Act in the House, which sent the measure to the desk of President **Donald Trump**, who is expected to sign it into law. Alexander, who worked behind the scenes to ensure the bill’s passage this year, called the measure “the most important conservation and outdoor recreation legislation in the last half century.” The legislation fully funds the Land and Water Conservation Fund and provides \$9.5 billion over five years to eliminate half of the deferred maintenance backlog at the country’s 419 national parks. The only member of the Tennessee delegation to vote against the bill was Sen. **Marsha Blackburn** (R-Brentwood).

■ Pilot Co. announced **Jimmy Haslam** is stepping aside as CEO and will succeed his father, **Jim Haslam**, as chairman. The elder Haslam, who founded the truck stop chain in 1958, will remain on the board as chairman emeritus. Former Gov. **Bill Haslam** will join his father and brother on the board for the first time since leaving about 20 years ago. **Shameek Konar** will take over as CEO on Jan. 1. The Haslams sold a major stake in the company to **Warren Buffett’s** Berkshire Hathaway in 2017, on the eve of the trial of the company’s former president following a federal investigation into widespread fraud among Pilot’s sales team. Berkshire Hathaway’s share will grow from 39% to 80% in 2023.

■ Former state Rep. **Tim Wirgau** (R-Buchanan) announced plans to run for Henry County mayor following the surprise announcement that 22-year incumbent **Brent Greer** plans to retire. Wirgau lost the 2018 Republican primary to Paris attorney **Bruce Griffey**. Greer said he timed his announcement so the election to succeed him can be held in November.

■ Secretary of State **Tre Hargett** testified remotely to the U.S. Senate Rules and Administration Committee about Tennessee’s preparations for the general election. Hargett was pressed by Democratic members about why the state has fought efforts to loosen absentee voting requirements amid the coronavirus pandemic.

■ “Under Tennessee law, fear of contracting the coronavirus is not an excuse [to vote by mail].” — **Hargett.**

■ “Well, that’s pitiful.” — *Sen. Angus King (I-Maine).*

■ State House Speaker **Cameron Sexton** (R-Crossville) and Senate Speaker **Randy McNally** (R-Oak Ridge) have appointed an ad hoc committee to study the powers granted to the executive and judicial branches during a state of emergency. Some lawmakers had grumbled during the session about Gov. **Bill Lee’s**

executive orders shutting down nonessential businesses and for court decisions putting off eviction proceedings amid the COVID-19 pandemic. The panel of five senators and 12 House members is chaired by Rep. **Jason Zachary** (R-Knoxville) and Sen. **Ferrell Haile** (R-Gallatin). It is to report its findings before January.

■ The U.S. Education Department is calling on Texas to return \$2.5 million after the state was found to have improperly awarded a no-bid contract to collect data about special education students. Texas auditors previously found the state education agency lacked safeguards to protect against potential conflicts of interests because then-Chief Deputy Commissioner **Penny Schwinn**, who now heads the Tennessee Department of Education, had a prior professional relationship with one of the company’s subcontractors.

■ Former U.S. Sen. **Bob Corker** (R-Chattanooga) disclosed a \$5.4 million balance in his campaign account. The filing didn’t show any political donations.

■ When **Corey Strong** was chairman of the Shelby County Democratic Party, he denounced an unrelated group called the Greater Memphis Democratic Club for appropriating the party’s name and putting “anyone on the ballot that pays them.” Strong is now challenging U.S. Rep. **Steve Cohen** in the Democratic primary. He is also receiving the top billing among the candidates endorsed by the Greater Memphis Democratic Club.

■ The Tennessee Eagle Forum named state Rep. **Ron Gant** (R-Rossville) as the winner of its Eagle Award for sponsoring a bill seeking to give the General Assembly the power to reject any move by a governor to participate in the federal refugee resettlement program.

■ One small problem: The refugee bill failed. If that’s award-worthy, we are left to wonder what sort of accolades should await **Gant** for proposing the **Cordell Hull** Building be renamed after former Gov. **Winfield Dunn**. The lawmaker abandoned the effort after Dunn, 93, said he opposed the idea as being “completely out of proportion with the historical context of our state.”

■ U.S. Sen. **Rand Paul** (R-Ky.) campaigned with **Manny Sethi** at an event hosted by former state Rep. **Joe Carr** in Murfreesboro over the weekend. Carr, a perennial candidate for federal and state offices, recently left a lucrative job in state government he landed after endorsing long-shot **Bill Lee** in the 2018 Republican gubernatorial primary.

■ “**Joe Carr’s** endorsement is probably more important than my endorsement, to tell you the truth.” — **Paul to reporters attending the Sethi rally.**

■ Never has a man who won so little meant so much.

■ Vanderbilt University announced a partnership between its School of Nursing and Student Health Center to conduct COVID-19 contact tracing would be called the Public Health Unified Command Center, or PHUCC.

■ Funny, that’s the same acronym Vandy fans express when SEC football and basketball games get underway.