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Senators spar over Clinton email probe watchdog report

The document has become a flashpoint in the government's ongoing Russia investigation.

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Dreams of dictators

Trump has made clear he yearns for fealty along with authority.

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Supreme Court punts on pair of gerrymandering cases

The justices gave little clarity to when so-called partisan gerrymandering may go further than the law allows.

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Matt Wuerker

The cartoonist's daily take on the world of politics.

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'Really an evil policy'

Dems seize offensive in fight over migrants

BY ELANA SCHOR

LOS FRESNOS, TEXAS — When a half-dozen Democratic lawmakers finished a whirlwind Father's Day tour of immigration facilities in the Rio Grande Valley, their sense of outrage was palpable.

So was their feeling that they had the political high ground — on an issue that's struck an emotional chord with voters like few Washington fights do, and that promises to reverberate as the November midterm elections near.

Sen. Jeff Merkley (D-Ore.) said migrant mothers inside the Immigration and Customs Enforcement facility sobbed as they described being separated from their children to the lawmakers. The typically mild-mannered Merkley ended with a rhetorical dagger at President Donald Trump.

"This is really an evil policy. And no matter how Trump tries to change the topic to something else, it is not OK to hurt children to send a message," he said in an interview. "And it is not OK to hurt children in order to gain what Trump said was legislative leverage."

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PHOTOS COURTESY OF U.S. CUSTOMS AND BORDER PROTECTION

In McAllen, Texas, children and their families are separated at a detention facility on Sunday. "It is not OK to hurt children in order to gain what [President Donald] Trump said was legislative leverage," Sen. Jeff Merkley said.

BY BURGESS EVERETT, JOHN BRESNAHAN AND RACHAEL BADE

GOP fears backlash to splitting families

Republicans want to talk about tax cuts. Instead, they're talking about kids in cages.

Rather than touting lower taxes and a steady job market, House and Senate Republicans are being forced to answer for President Donald Trump's contentious immigration policies — whether it's separating migrant kids from their parents, removing DACA protections or building a border wall. And that's likely bad news heading into November.

"The whole thing is a hot mess," said Sen. John Kennedy (R-La.), who opposes splitting up families at the border but otherwise supports the administration's stepped-up enforcement policies.

Even as the White House blames Congress for the crisis at the border, GOP lawmakers are struggling to craft a proposal that unites their own party, let alone one that can win bipartisan support and become law. And with no congressional solution in sight, Hill Republicans worry that

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White House plans fresh immigration crackdown

BY NANCY COOK

Top aides to President Donald Trump are planning additional crackdowns on immigration before the November midterms, despite a growing backlash over the administration's move to separate migrant children from parents at the border.

Senior policy adviser Stephen Miller and a team of officials from the departments of Justice, Labor

and Homeland Security and the Office of Management and Budget have been quietly meeting for months to find ways to use executive authority and under-the-radar rule changes to strengthen hard-line U.S. immigration policies, according to interviews with half a dozen current and former administration officials and Republicans close to the White House.

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EVAN VUCCI/AP

In January 2017, President Donald Trump ordered the arrest and detention of people crossing the southern border illegally.

Texas judge can't promise families they'll be reunited

BY ELANA SCHOR

MALLEN, TEXAS — As a judge began sentencing more than six dozen immigrants for illegal entry on Monday, one woman spoke up to ask: "What's going to happen to my daughter?"

Magistrate Judge J. Scott Hacker, presiding over the hearing in Texas federal court, could tell her only that reunification with her child was out of his hands.

"Hopefully, they'll get you to

her," Hacker told the woman, who was communicating through a translator, before sentencing her to time served in detention and paving the way for her likely deportation.

She wasn't alone. Of an estimated 81 migrants whose cases Hacker handled in a packed courtroom in this Texas border town, 21 informed the court through their public defender that they had been separated

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Banks are now taking on Sessions over legalized pot

Lenders see potential for lucrative business in working with this burgeoning industry

BY ZACHARY WARMBRODT

The nation's banks are taking on Attorney General Jeff Sessions over pot with a big lobbying push to loosen federal restrictions on the surging legalized marijuana industry.

Emboldened by support from both President Donald Trump and Sen. Elizabeth Warren (D-Mass.) — two relentless foes on most issues — top banking trade groups are pressing policymakers to make it easier for their members to serve cannabis businesses that are now legal in states like California and Colorado.

"If we're not at a turning point, we're very close to it," said Cam Fine, former head of the Independent Community Bankers of America association.

Even Jerome Powell, chairman of the Federal Reserve, is pushing for action on the issue.

"This is a very difficult area," Powell said during a news conference this week. "It puts federally chartered banks in a very difficult situation. It would be great if that could be clarified."

Lenders see the potential for lucrative business in working with the industry. So they're backing proposals that would address conflicts between a growing number of permissive state laws and the longstanding federal ban on the

sale of marijuana that has chilled banks' appetite to offer accounts to pot-related businesses.

The unresolved legal questions have been heightened by Sessions' public campaign against legalizing marijuana. That's left many banks on the sidelines and forced pot businesses to carry out transactions in cash, making them a target for theft and violence.

The American Bankers Association believes "the time has come for Congress and the regulatory agencies to provide greater legal clarity to banks operating in states where marijuana has been legalized for medical or adult use," a spokesman said.

"Those banks, including institutions that have no interest in directly banking marijuana-related businesses, face rising legal and regulatory risks, and ever-increasing ambiguity and uncertainty, as the marijuana industry grows," the spokesman said. The ABA's membership includes thousands of large and small banks.

The ICBA, which represents the nation's smallest lenders, went a step further last week by endorsing for the first time a pot banking bill that would restrict federal regulators from penalizing banks that provide services to marijuana businesses.

The bill by Democratic Reps. Ed

Perlmutter of Colorado and Denny Heck of Washington has more than 90 co-sponsors, including 13 Republicans. Sen. Jeff Merkley (D-Ore.) has introduced a companion bill with 17 co-sponsors, including 12 Democrats, four Republicans and Sen. Bernie Sanders (I-Vt.). The Credit Union National Association said Tuesday it also supports the legislation.

The community bank trade association's decision to back the bill followed a decision by its board in March to get behind marijuana banking legislation, said Aaron Stetter, the group's executive vice president of policy and political operations.

One catalyst for the banks to act more aggressively was Sessions' decision in January to withdraw Obama-era guidelines that curbed prosecutions of businesses that sold pot in compliance with state law.

"The fear now is the lack of the rules of the road," Stetter said. "The rescission of the [Justice Department] memo just left too much doubt out there. What banks are always looking for is certainty."

The move by Sessions also provoked Republican Sen. Cory Gardner of Colorado, where recreational marijuana has been legal since 2014. Gardner teamed up with Warren to introduce legislation last week that would carve cannabis businesses out of federal Controlled Substances Act restrictions if they're complying

with state or tribal laws that permit the production and distribution of marijuana.

The bill, according to a letter of support from the Credit Union National Association, would give legal protection to financial institutions that accept deposits from and offer credit and payment services to marijuana-related businesses.

The bill's introduction gave banks' lobbying effort a fresh dose of star power from Warren, a liberal icon and potential 2020 presidential candidate, and conservative appeal via Gardner, who says it's a chance to "express that federalism works" and give states the freedom to make their own decisions.

Trump kept the bill in the headlines June 8, when he said he "probably will end up supporting" the legislation — the latest in a series of comments at odds with Sessions and the Justice Department.

"When you have somebody with the national clout of Elizabeth Warren and somebody like Cory Gardner join forces, that sends a very, very strong signal that maybe the time is either here or rapidly approaching that the Congress will start to deal with this issue in a serious way," said Fine, the former community banking association head.

But the issue continues to polarize policymakers, even though lenders are going out of their way to avoid taking a position on whether marijuana should be legal in the

first place. And while momentum is building, bank lobbyists want to see legislation that even more explicitly protects the industry. They also want regulators to come off the sidelines and outline their positions.

Some in the banking industry see the competing bills that have already been introduced as compatible efforts that should be further expanded.

The Trump administration's position on the issue is inconsistent across the White House and agencies. Though Sessions revoked guidance in January, the Treasury Department's Financial Crimes Enforcement Network, responsible for combating money laundering, has kept in place its 2014 guidelines clarifying how financial institutions can provide services to marijuana businesses while complying with anti-money laundering rules.

The continuity of the Treasury guidance has provided some degree of certainty to banks. Lawmakers from both sides of the aisle are urging the administration to preserve the policy.

Perlmutter said his legislation would pass if brought to the floor, but that "several powerful Republican committee chairs" have thwarted his attempts to move it forward.

"We have reached a tipping point on this issue, and I believe it is only a matter of time before we are able to make real progress," he said.

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