



Scrutiny mounts for Trump dig operation

BY MORGAN CHALFANT - 10/27/17 06:01 AM EDT

101 SHARES

Just In...

Bad Rabbit malware used leaked alleged NSA tool

CYBERSECURITY — 12S AGO

Manufacturers roundly reject Garrett for Ex-Im Bank chief

OPINION — 6M 40S AGO

Trump hopes just about all JFK files can be made public

BLOG BRIEFING ROOM
— 10M 26S AGO

Gorka: If Uranium One deal happened in 1950s, those involved would have gotten the electric chair

BLOG BRIEFING ROOM
— 17M 20S AGO

Weekly Standard: GOP has surrendered to Trump

MEDIA — 20M 26S AGO

Top Republican promises to scrutinize tech's data practices

TECHNOLOGY — 25M 11S AGO

Virginians' choice: Two life stories, but what a difference

OPINION — 26M 40S AGO

CNN's Toobin: 'No evidence' Wasserman Schultz, Clinton knew about dossier



© Getty Images

Scrutiny on the digital side of President Trump's 2016 campaign is mounting after revelations that the head of Cambridge Analytica, a data mining and analysis firm that worked for the campaign, contacted WikiLeaks' Julian Assange about Hillary Clinton's emails.

The Daily Beast [reported](#) Wednesday that Alexander Nix, Cambridge Analytica's CEO, told a third party that he reached out to the WikiLeaks founder last year about the emails that Hillary Clinton deleted from the server she used when working at the State Department.

The Trump campaign paid Cambridge Analytica millions during the 2016 presidential race. In the aftermath of the Assange revelations, aides have raced to distance the campaign from the firm.

The company, which is partially owned by the family of billionaire Trump supporter Robert Mercer, mines online data in order to target potential voters with personalized political messaging. It reportedly also worked on the British "Brexit" campaign.

The exchange between Nix and Assange, which occurred before Election Day, is likely to fuel the congressional and special counsel investigations into Russian election interference.

Last year, WikiLeaks released troves of hacked emails from the Democratic National Committee and Clinton campaign chair John Podesta. WikiLeaks

obtained the emails from Russian-backed hackers, according to a U.S. intelligence assessment.

The House Intelligence Committee has already [requested](#) information from Cambridge Analytica.

The Trump campaign [issued](#) a statement late Wednesday afternoon crediting the Republican National Committee and its data team as its “main source for data analytics” in 2016, an apparent attempt to distance the campaign from Cambridge Analytica.

“We as a campaign made the choice to rely on the voter data of the Republican National Committee to help elect President Donald J. Trump,” Michael Glassner, executive director of Donald Trump for President, said. “Any claims that voter data from any other source played a key role in the victory are false.”

But campaign filings show that the campaign paid Cambridge Analytica \$5.9 million for data management services between 2015 and 2016.

A former GOP source said that Cambridge Analytica primarily fit into the digital operations of the campaign and used data produced by the RNC for marketing on social media and other platforms.

“[The RNC] provided the data to Cambridge, and they used that for marketing,” the source said, adding that the company had roughly 12 to 15 employees on the ground in San Antonio, where Trump digital director Brad Parscale’s company is located.

Parscale [met](#) with members of the House Intelligence Committee behind closed doors on Tuesday as part of its Russia probe.

Another source familiar with the campaign’s data operations recall Cambridge Analytica playing little role, compared to the RNC.

“Cambridge Analytica didn’t really fit in with it much at all,” a source close to Trump’s data team said. “There was a push to use Cambridge from some different parts of the campaign, but when it came down to it, the tools that Cambridge Analytica created ... didn’t have any proof that they worked.”

In a statement earlier this month responded to the House investigation request, a Cambridge Analytica spokesman emphasized the firm’s “prominent role” in Trump’s successful campaign.

Mercer has invested \$5 million in Cambridge Analytica, according to the New Yorker. He isn’t the only Trump ally with connections to the firm — former White House chief strategist Stephen Bannon, who now runs Breitbart News, previously served on Cambridge’s board.

Michael Flynn, who briefly served as national security adviser before resigning in February after he was found to have lied about his interactions with Russian Ambassador Sergey Kislyak, recently [amended](#) his public financial filing to disclose a brief advisory role with SCL Group, Cambridge Analytica’s parent company.

A WikiLeaks spokesman confirmed to The Hill that “a request for information from Cambridge Analytica was rejected” last year, but did not confirm the content of the firm’s offer. A spokesman for Cambridge Analytica did not return a request for comment.

Trump's critics have already seized on the latest revelations. Speaking on CNN, Sen. Richard Blumenthal (D-Conn.) said that the meeting fits a broader pattern of the Trump campaign seeking damaging information on Clinton, citing the June 2016 Trump Tower meeting during which Donald Trump Jr. and others met with a Russian lawyer.

"Cambridge Analytica may not have been a direct part of the Trump campaign, but it certainly was hired by it, and there were also other Trump associates who were reaching out as well," Blumenthal, a member of the Senate Intelligence Committee, [said](#) Wednesday.

"It should be a topic that is of interest to our committee, because the Russian investigation and obstruction of justice, which is at the core of our investigation, should include all available relevant information," the senator added.

The top Democrats on the House Judiciary and Oversight Committees have sent [letters](#) to Nix, Parscale and others demanding information on whether they exchanged information with a foreign actor or government during the campaign.

In announcing he would meet with House investigators back in July, Parscale [said](#) that he had no knowledge of "any Russian involvement in the digital and data operations" of the Trump campaign.

"The only collaboration I am aware of in the Trump digital campaign was with staff provided to the campaign by Facebook, Google and Twitter," he said. "Those experts in digital marketing worked side-by-side with our teams from Giles-Parscale, the Republican National Committee, and Cambridge Analytica to run a professional and winning campaign."

Attempts to reach Parscale following his interview on Tuesday were unsuccessful.

Meanwhile, the committees are also scrutinizing how Russia leveraged social media platforms like Twitter and Facebook to influence the election. Representatives from technology companies are [slated](#) to testify publicly before the Senate Intelligence Committee next Wednesday.

**TAGS HILLARY CLINTON DONALD TRUMP POLITICS
RUSSIAN INTERFERENCE IN THE 2016 UNITED STATES ELECTIONS WIKILEAKS**



Trump's ObamaCare move may bolster law

BY PETER SULLIVAN - 10/27/17 06:02 AM EDT

0 SHARES



© Greg Nash

President Trump's decision to cancel key ObamaCare payments could be backfiring.

Trump has claimed the health law is "imploding," and earlier this month he took an action seemingly aimed at that goal: cutting off key payments to insurers known as cost-sharing reductions.

Democrats cried foul, calling it the biggest example yet of what they say is Trump's "sabotage" of ObamaCare, efforts that include cutting enrollment staff and reducing advertising.

But there are inadvertent benefits of Trump's action: Many ObamaCare enrollees are actually getting a better deal and the potential to get more generous insurance because Trump cut off the payments.

"It sounds very counterintuitive that premiums going up a lot could actually lead to many people paying less for health insurance," said Larry Levitt, a health policy expert at the Kaiser Family Foundation. "But that is the way the math works."

The reasons are complicated, in large part due to a quirk in the way ObamaCare's subsidies to help people afford insurance are calculated and in the ways regulators and health plans prepared.

Before the action, state regulators and insurers anticipated that Trump would cut off the CSR payments, which reimburse insurers for discounts to low-income people, and planned ahead.

Insurers raised premiums on one type of plan, known as "silver" plans, to compensate for the loss of the payments. Silver plans are the ones used to calculate how much of a subsidy consumers get.

If the plans are more expensive, people get a bigger subsidy. So the higher premiums lead to bigger subsidies, which consumers can now use to buy another type of plan, even a more generous "gold" plan, at a lower cost than they otherwise would have.

The result is that the majority of ObamaCare enrollees are either held harmless or actually able to buy coverage at a lower cost than if Trump had not cut off the payments.

A minority of enrollees, who earn too much to qualify for subsidies and live in a handful of states that did not plan ahead, are going to be hit with the brunt of the premium increases.

The big loser is the federal budget, given that the government will have to pay out billions more in subsidies to compensate for the higher premiums.

Democrats had also warned that insurers could simply drop out of the ObamaCare market, leaving some people without any options at all, if Trump canceled the payments.

But that so far has not happened. Insurers largely planned ahead, and there have not been any major exits since Trump announced he would cancel the payments.

The counterintuitive benefits of Trump's move were a key reason that a federal judge on Wednesday ruled against a collection of states suing to force Trump to keep the payments going.

The judge appointed by President Obama pressed the states, led by California, to show what actual harm had occurred because Trump canceled the payments.

"It seems like California is actually doing a really good job of responding to the termination of these payments in a way that is not only avoiding harm for people, but actually benefitting people," Judge Vince Chhabria, said at a hearing on the lawsuit this week.

A separate legal question is whether the payments were constitutional to begin with, given that Congress did not appropriate them. The administration cited that as a reason to cancel them, but Trump has also pointed to broader anti-ObamaCare reasons.

Some ObamaCare supporters warn that the benefits of the payments being canceled depend on consumers being knowledgeable and savvy enough to shop around and find a deal.

In practice, many consumers are confused, given the debate over repeal of the law and the surrounding frenzy, and might be hit with a premium increase because they did not realize they could find a better deal on a different plan by shopping around on healthcare.gov.

"Even despite best efforts to educate consumers, it's going to be really hard to get out the word that there are better deals out there," said Topher Spiro, vice president for health policy at the left-leaning Center for American Progress.

"In practice, in reality, there are going to be a lot of consumers who see increased costs because of this," he added. If people don't shop around and stick with the same plan, they could be missing out on a deal and still face a price hike.

The Trump administration has cut back on outreach funding, which experts say could depress enrollment and lead to fewer ways for consumers to get their questions answered.

David Anderson, a health policy researcher at Duke University, has argued that Democrats might actually be wise not to seek to reinstate the payments, and simply let the higher subsidies give people better deals on insurance.

The Congressional Budget Office projected in August that cutting off the payments would initially lead to slightly fewer people insured, but by 2020 would actually increase the number of people with coverage by 1 million, due to the higher subsidies.

Anderson said that it could be a “significant Democratic policy win” to keep the CSRs canceled.

The counterargument, noted by Anderson and others, is that there is a psychological benefit to having both parties working to make the law better, and that the stability of the law could be boosted by a bipartisan bill to reinstate the payments.

Spiro echoed this argument, calling for Congress to pass a bill from Sens. Lamar Alexander (R-Tenn.) and Patty Murray (D-Wash.) to reinstate the payments and make other reforms.

“If there a good faith effort to have a bipartisan bill that addresses this issue then you have both parties wanting to make the law work, not trying to sabotage it,” Spiro said.

There is also the risk of confusion if the payments remain canceled, and that consumers would not seek out the deals available to them.

“It’s confusing to me and this is what I do for a living,” Anderson said. “It’s going to be very confusing to anyone.”

TAGS LAMAR ALEXANDER PATTY MURRAY OBAMACARE AFFORDABLE CARE ACT HEALTH CARE INSURANCE



**THE HILL 1625 K STREET, NW SUITE 900 WASHINGTON DC 20006 | 202-628-8500 TEL | 202-628-8503 FAX
THE CONTENTS OF THIS SITE ARE ©2017 CAPITOL HILL PUBLISHING CORP., A SUBSIDIARY OF NEWS COMMUNICATIONS, INC.**