

Lobbyist fined for pushing tax credit

Woman registered to lobby for UPMC

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By Tom Barnes Pittsburgh Post-Gazette

HARRISBURG -- The state Ethics Commission has fined a Pittsburgh lobbyist for a California moviemaker \$5,025 for pushing Gov. Ed Rendell and other state officials to enact a \$75 million film tax credit program in 2007.

Leslie McCombs, a lobbyist for Lionsgate Entertainment Corp., has paid the fine and settled the ethics complaint, her lawyer, Jason Pearlman, said yesterday.

"The matter is resolved," said Mr. Pearlman, of Kline & Specter in Philadelphia. "Ms. McCombs is glad that this matter, which involved a simple oversight on her part, is over. She has paid the fine and it's concluded."

According to an Ethics Commission report released this week, Ms. McCombs is also a lobbyist for the University of Pittsburgh Medical Center, but she worked additionally for 201 days in 2007 as a lobbyist for Lionsgate. It was interested in making films and television programs in Pennsylvania, including shooting a TV series called "Kill Pit" in Pittsburgh.

Her fine was based on \$25 for each day she worked as a lobbyist for Lionsgate. She had properly registered with the state as a UPMC lobbyist but failed to amend her form to add Lionsgate, the report said.

The report stated that Pittsburgh Film Office Director Dawn Keezer had contacted Lionsgate officials in 2006 "regarding the potential of Lionsgate filming projects in the Pittsburgh region." Lionsgate officials mentioned a film tax credit program in New Mexico and said Pennsylvania "would become more desirable to the film industry" if it had such a tax credit program, the report said.

"In order to expedite a meeting with Gov. Rendell" about getting a tax credit enacted, Ms. Keezer contacted Ms. McCombs, says the report.

"Keezer and McCombs were friends, and as a result of that friendship, Keezer became aware that McCombs was a friend of Gov. Rendell and had his personal cellular telephone number," the report states.

In October 2006, Ms. McCombs arranged a meeting in Philadelphia with Mr. Rendell, Lionsgate official Mark Manuel and others to discuss creating a film tax credit as a way "to support film and television production activities in Pennsylvania," the report states.

In February 2007, Lionsgate created a Pennsylvania corporation to film the "Kill Pit" series. In March 2007, Ms. McCombs became a Lionsgate lobbyist.

In late March 2007, the report states, Mr. Rendell "discussed with McCombs arranging a meeting with legislators and representatives from the film industry to discuss the film tax credit in Harrisburg on April 17, 2007."

In June 2007, Ms. McCombs used UPMC tickets to take Mr. Rendell and other people, including his wife, Marjorie, and son Jesse, to see the Pirates. Tickets for another Pirates game were used by Mr. Rendell and four guests.

The report states that, in all, "Gov. Rendell attended five Pittsburgh Pirates baseball games as a guest of McCombs, using tickets paid for by the UPMC Health Plan."

Mr. Rendell reimbursed Ms. McCombs \$245 on Sept. 18, 2007, and another \$715 on Nov. 11, 2007, and she returned the money to the UPMC Health Plan, the report adds.

Mr. Rendell had no comment on the Ethics Commission report, aide Gary Tuma said.

Although Mr. Pearlman said the McCombs ethics matter is over, the state's \$75 million film tax credit program is still an issue. The program gives production companies a 25 percent tax credit if they spend at least 60 percent of a film's budget in Pennsylvania.

The film tax credit has arisen during the current dispute over the unsettled state budget for 2009-10. Mr. Rendell wants to keep the tax credit as a way of attracting more movie companies to this state, but some Republicans want to scrap it.

This latter group includes GOP Sens. Jeffrey Piccola, of Dauphin, and Pat Vance, of Cumberland. They claim wealthy movie producers from Hollywood shouldn't benefit from a tax giveaway by Pennsylvania, especially when the state ended the 2008-09 fiscal year with a \$3.25 billion deficit.

Mr. Piccola was highly critical of Ms. McCombs in mid-2007 for pressing the governor and legislators to enact the tax credit.