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Federal Ethics and Lobbying Rules

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MAY 14, 2011



Topics for Today

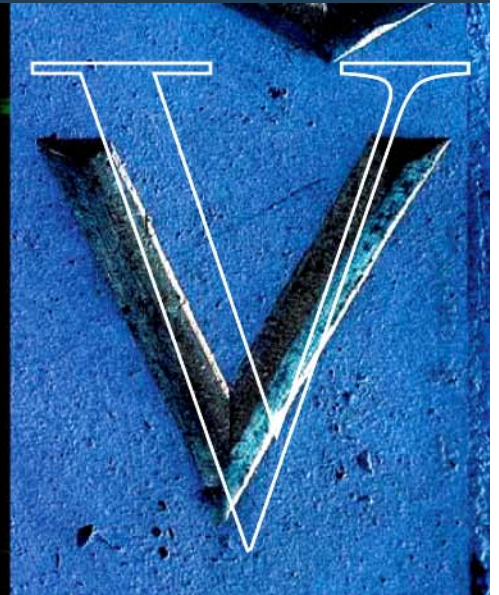
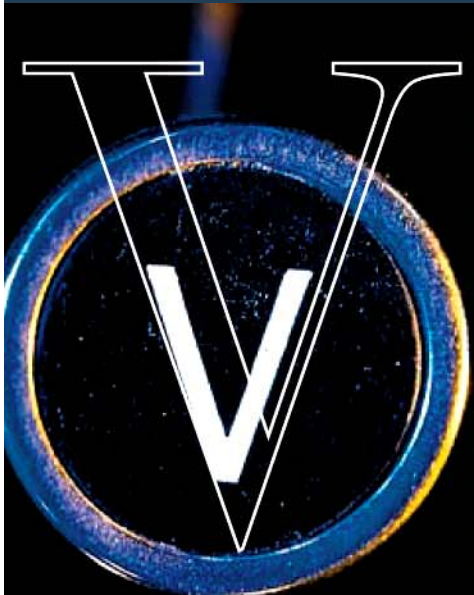
POLITICAL LAW COMPLIANCE

- Gift Rules
 - Federal
- Lobbying Disclosure
 - Who must be registered
 - Tracking time
 - State issues
- LD-203 Report



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Gift Rules



Gift Rule

LEGISLATIVE BRANCH: FOR NON-LOBBYISTS

- Basic Rule:
 - Gifts of up to \$49.99
 - Total for year of up to \$99.99
- Unless:
 - There is an applicable exemption
 - Then may give more



Gift Rule

LEGISLATIVE BRANCH: FOR LOBBYISTS & EMPLOYERS OF LOBBYISTS

- Basic Rule:
 - No gifts or travel from lobbyists or entities that retain or employ lobbyists
- Unless:
 - There is an applicable exemption
- Cannot expense “gifts”
 - No reimbursement
 - No deductions
 - May pay using own money if preexisting friendship (discussed below).



Personal Friendship

- Must consider the following factors:
 - History of the relationship
 - Previous exchange of gifts
 - Will it be reimbursed or expensed
 - Similar gifts given to others on Hill
- If exemption applies, limited to \$250
 - Unless waiver obtained
- What this allows:
 - Gifts paid for with your own money
 - Dinner, drinks, etc.



Widely Attended Events

- Invitation must come from sponsor of event
- Event must be:
 - Open to individuals from throughout a given industry or profession or
 - those in attendance represent a wide range of persons interested in a given matter
- Must have 25 people not from Congress expected to attend
- Member or employee must either:
 - be a speaker at the event or
 - determine that attendance is related to official duties



Charity Events

- Invitation must come from sponsor of event
 - Contributors to event may make requests
 - “All communications with Members or staff regarding the event should be made by the event sponsor, because a communication from an event contributor may be deemed an impermissible invitation from the contributor”
- Must be a fundraising event (not merely a congratulatory event)



Receptions

DOES NOT INCLUDE ONE-ON-ONE SITUATIONS

- Food or refreshments of a nominal value offered other than as a part of a meal
- The kinds of food and refreshments usually offered at receptions—such as hors d'oeuvres, appetizers, and beverages
- Morning meetings—coffee, juice, pasty, or bagels—may be accepted
- The exception does not allow Members or staff to accept a “meal,” or “food or refreshments offered as part of a meal,” no matter how nominal the cost



Gift Rules

EXECUTIVE BRANCH

- Career Employees
 - \$20 limit with additional exceptions
 - \$50 annual limit
- Political Appointees
 - Bans gifts from registered lobbyists and organizations registered under the LDA



Gift Rules

EXECUTIVE BRANCH EXCEPTIONS

- Based on personal relationship
- Discounts and similar benefits
- Resulting from spouse's employment
- Widely attended events
- Gifts to President or Vice President
- Authorized by agency regulation or accepted under specific statutory authority



Lobbying Disclosure

Process for Compliance



Federal Lobbyists

TWO PART TEST

- More than one lobbying contact
AND
- More than 20% of time on lobbying activities in calendar quarter



Lobbying Contact

- Any oral or written communication (including an electronic communication) to a covered executive branch official or a covered legislative branch official that is made on behalf of a client with regard to—
 - the formulation, modification, or adoption of Federal legislation (including legislative proposals);
 - the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy, or position of the United States Government;
 - the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license);
or
 - the nomination or confirmation of a person for a position subject to confirmation by the Senate.



Other Definitions

COVERED LEGISLATIVE BRANCH OFFICIALS

- Anyone in Congress – from Members to the receptionist

COVERED EXECUTIVE BRANCH OFFICIALS

- President, Vice President, & Executive Office of the President
- Levels 1 through 5 of the Executive schedule (cabinet & some below)
- Certain military officers
- Schedule C political appointments



Other Definitions

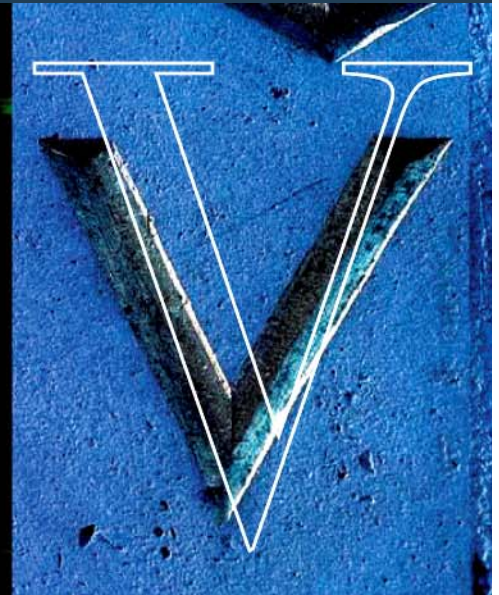
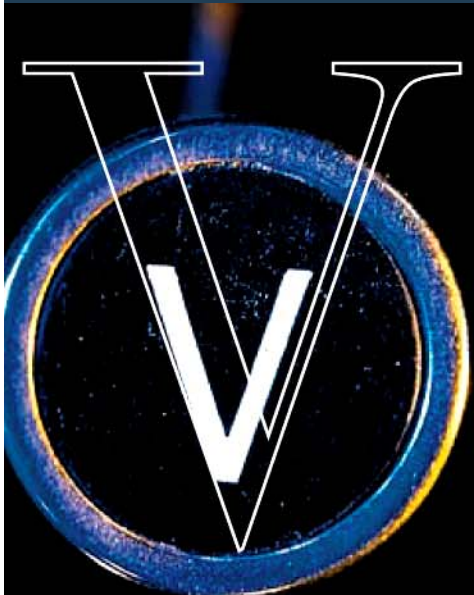
LOBBYING ACTIVITY

- Contacts and efforts in support of such contacts, including preparation and planning activities, research and other background work that is intended, at the time it is performed, for use in contacts, and coordination with the lobbying activities of others.



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LD-203 Report



LD-203

OVERVIEW

- Mindset of the Report
- Semiannual disclosure of “political” contributions
- Certification of Gift Rule compliance
- By whom:
 - Each organization with in-house lobbyist must file the report
 - Each registered lobbyist must file the report
- Online system



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LD-203: What gets reported?



LD-203

TYPES OF CONTRIBUTIONS REPORTED

- Federal Election Campaign Act
- Honoring & Recognizing
- Meetings
- Presidential Library
- Presidential Inaugural Committee



LD-203

FECA CONTRIBUTIONS

- All contributions aggregating \$200 or more during the semiannual period given to:
 - Federal candidates
 - Leadership PACs
 - Political parties
- Must report the date and amount of each contribution
- Aggregation is during semiannual period and does not carry over
 - E.g., \$199 in May is not aggregated with \$199 in August
- Almost all of this information is already disclosed through the FEC
 - **Must still be disclosed on LD-203**
- Does not include state contributions or contributions to PACs



LD-203

MEETING EXPENSES

- To pay the costs of a meeting, retreat, conference, or other similar event held by, or in the name of, one or more covered legislative or executive branch officials



LD-203

HONORARY EXPENSES

- To pay the cost of an event to honor or recognize a covered executive or legislative branch official
- To an entity that is named for a covered legislative branch official, or to a person or entity in recognition of such official
 - E.g., honorarium to charity, payment to endow a chair at a school
 - Does not include covered executive officials
- To an entity established, financed, maintained, or controlled by a covered legislative or executive branch official or an entity designated by such official



LD-203

REPORTING HONORARY & MEETING EXPENSES

- Differences between buying tickets and paying for the event
- **Payments to be disclosed:**
 - If an individual or organization makes a specific donation to fund an event honoring or recognizing an official
 - Donor is aware that the event will be a reportable event at the time of the contribution, then it must be disclosed.
- May be able to buy enough tickets to “look like a host”
- Look to other roles at the event such as organization and sponsorship



LD-203

REPORTING HONORARY & MEETING EXPENSES

- What gets reported?
 - Costs of specific items (plaques, awards, etc.)
 - Costs of the event
 - May not segregate costs
 - May list payee as “various vendors”
 - Must specifically list costs for gifts
- Political events do not have to be disclosed
 - They are reported under FECA and need not be reported on LD-203 (different from the rule on campaign contributions)



LD-203

REPORTING HONORARY & MEETING EXPENSES

- Things that do not make an event one to honor or recognize a covered official
 - Honorary co-hosts
 - “The Honorable”
 - Speaking events
 - Attendee or special invitee



LD-203

EXAMPLES OF EVENTS

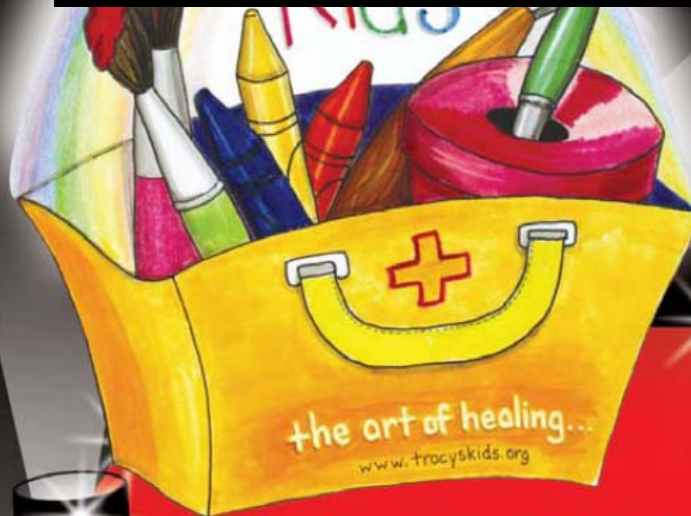
Just honorary co-hosts: not an event to honor or recognize

Please Join Red Carpet Hosts
Hon. Patrick Leahy • Hon. Mike Pence •
Hon. Al Franken • Hon. Lamar Smith •
and Hon. Mark Warner

Tuesday, February 8, 2011
in Washington, DC

**For The Sixth Annual
Red Carpet Extravaganza**

**And the
Winner Is...
Tracy's
Kids**



Enjoy the year's *best films* before Hollywood's
big night with **ALL** the glitter Hollywood has to offer.

Serving Lombardi Cancer Center, Children's National Medical Center, Children's Fairfax Clinic
and through our grant to Life with Cancer, Fairfax Inova Hospital

Tracy's Kids is a 501(c)3 organization.



LD-203

EXAMPLES OF EVENTS

PLEASE JOIN

PRODUCERS
David L. Cohen • Matt Gerson • Preston Padden

OUR RED CARPET HOST
Hon. Patrick Leahy • Hon. Mike Pence • Hon. Al Franken •
Hon. Lamar Smith • Hon. Mark Warner

AND THE
Tracy's Kids Steering Committee

**An event to honor or
recognize a covered official**

Featuring films nominated for Hollywood's most prestigious Awards

AND THE
Presentation of the 6th Annual Courage Award

TO
The Honorable Sue Myrick

Tuesday, February 8, 2011

RECEPTION * 6:00 PM BUFFET DINNER * 6:30 PM

LUCKY STRIKE RESTAURANT ADJACENT TO THE VERIZON CENTER (IN THE REGAL THEATRE GALLERY PLACE BUILDING)

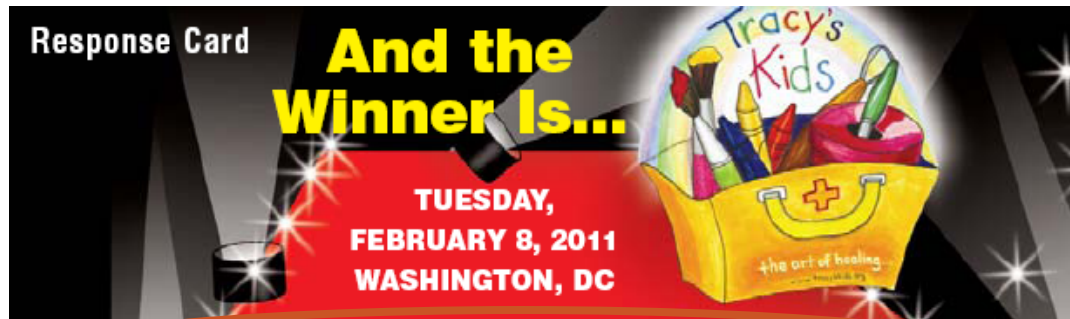
SCREENINGS * 7:30 PM PROMPTLY
REGAL THEATRE GALLERY PLACE

701 7TH STREET, NW, BETWEEN G AND H STREETS * WASHINGTON, DC (NEXT TO THE VERIZON CENTER)
Validated parking at the Gallery Place Parking Garage (located on 6th Street, NW, between G and H Streets)



LD-203

EXAMPLES OF EVENTS



I/we will contribute to And the Winner Is... Tracy's Kids as a

- STUDIO HEAD ★ \$100,000**
 - ★ Corporate logo prominently displayed as a **STUDIO HEAD** on event signage.
 - ★ Corporate logo and identification prominently displayed at event.
 - ★ Acknowledgment during Speaking Program.
 - ★ Acknowledgment and corporate logo in the events section of the Tracy's Kids website.
 - ★ **100 TICKETS TO THE RED CARPET RECEPTION, AWARD CEREMONY AND SCREENINGS.**
- PRODUCERS ★ \$50,000**
 - ★ Corporate logo prominently displayed as a **PRODUCER** on event signage.
 - ★ Acknowledgment during Speaking Program.
 - ★ Acknowledgment and corporate logo in the events section of the Tracy's Kids website.
 - ★ **50 TICKETS TO THE RED CARPET RECEPTION, AWARD CEREMONY AND SCREENINGS.**
- DIRECTORS ★ \$25,000**
 - ★ Corporate name listed as a **DIRECTOR** on event signage.

Is this a ticket purchase or a contribution?

Not careful phrasing



LD-203

SOLICITATIONS BY COVERED OFFICIALS

- Contributions “designated” by a covered official
 - Must have some role in governance
 - “Honorary” or “ex officio” does not equal controlled
 - Board membership is enough
 - Organization established before becoming covered official need not be reported (if no ongoing relationship)



LD-203


EXAMPLES OF SOLICITATIONS

THE STATE SOCIETY OF IOWA
In conjunction with
The Capital Area Iowa Club University of Northern Iowa Alumni Association
Iowa State University Alumni Association Drake University National Alumni Association

Event Sponsors
American Council of Life Insurers
Honeywell
National Beer Wholesalers Association

With Honorary Hosts
Governor Chet Culver
Senator Chuck Grassley
Senator Tom Harkin
Congressman Leonard Boswell
Congressman Tom Latham
Congressman Steve King
Congressman Bruce Braley
Congressman David Loebsack

Invite you to




IOWA
Disaster Relief
2008

**A FUNDRAISER TO BENEFIT
THE VICTIMS OF IOWA'S RECENT FLOODS AND
TORNADOES**

**SUGGESTED MINIMUM
CONTRIBUTION \$20**

Date: Monday June 23, 2008
Time: 6:00-8:00
Location: 101 Constitution Avenue, NW,
Rooftop, Washington, DC
Questions: social@iowasociety.org



All proceeds will be given to the relief efforts
The State Society of Iowa is a 501(c)(4) tax-exempt organization
Tax deductible charitable giving options are available

**Just honorary
co-hosts**



LD-203

EXAMPLES OF SOLICITATIONS

From: [redacted] [mailto:[redacted]@[redacted].senate.gov]
Sent: Tuesday, June 17, 2008 6:50 PM
Subject: Iowa Disaster Relief Event--Monday, June 23rd

Hi, everyone,

I apologize for the mass email, and I know some of you are receiving this twice. I'm on the board of the [redacted]. We have put together an event to benefit Iowa's disaster victims this Monday, June 23rd at 101 Constitution.

I hope you'll all attend, or at least forward the invitation on to your DC contacts.

Thanks,
[redacted]

[redacted]
Director of Scheduling
Senator [redacted]

I'm on the board of the...

**Contribution
"designated" by a
covered official**



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