

Wisconsin Ethics Commission

212 East Washington Avenue, Third Floor Board Room
Madison, Wisconsin
Tuesday, August 23, 2016
9:00 a.m.

Open Session Agenda

- A. Call to Order
- B. Report of Appropriate Meeting Notice
- C. Personal Appearances
- D. Minutes of July 11, 2016 Meeting (Page 3)
- E. Campaign Contributions by Commissioners (Page 9)
- F. Electronic Fee Collection (Page 13)
- G. Settlement Schedule Review (Page 15)
- H. Review of Audit Findings (supplemental materials)
- I. Delegation of Authority Under Wis. Stat. § 19.49(2)(b)10. (Page 35)
- J. Memoranda of Understanding with the Wisconsin Elections Commission (Page 37)
 - 1. Data Exchange Agreement (Page 39)
 - 2. Shared Office Space Agreement (Page 45)
 - 3. Shared Staffing Agreement (Page 53)
- K. 2017 – 2019 Budget Initiatives (Page 59)
 - 1. Commissioner Per Diems (Page 61)
 - 2. IT Services Support (Page 63)
 - 3. Campaign Finance Information System Maintenance and Support (Page 65)
 - 4. Lobbying Fee Structure (Page 67)
- L. Administrator's Report (Page 71)

M. Future Meetings

1. 2017 Proposed Meeting Dates (Page 77)
2. 2016 Proposed Agendas (Page 79)

N. Closed Session

1. Employment Considerations
2. Complaints
3. Requests for Advice

19.50 & 19.55(3) No employee of the Commission may disclose information related to an investigation or prosecution under ch. 11, subchapter III of ch. 13, or ch. 19.

19.85(1)(c) Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.

19.85(1)(h) The Commission's deliberations on requests for advice under the ethics code, lobbying law, and campaign finance law shall be in closed session.

O. Adjourn

The Ethics Commission will convene in open session but may move to closed session under Wis. Stat. § 19.85 (1)(h) to consider the requests for advice under the ethics code, lobbying law, or campaign finance law. This notice is to inform the public that the Commission intends to convene in open session, but may move to closed session. The Commission plans to return to open session to adjourn following that closed session. Wis. Stat. § 19.85(2).



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Wisconsin Ethics Commission

212 East Washington Avenue, Third Floor Board Room
Madison, Wisconsin
Monday, July 11, 2016
1:00 p.m.

Open Session Minutes

Present: J. Mac Davis, Robert Kinney, Katie McCallum, Pat Strachota, David Halbrooks (via phone), Peg Lautenschlager

Staff present: David Buerger, Sharrie Hauge, Mike Haas

A. Call to Order

B. Report of Appropriate Meeting Notice

Staff Counsel David Buerger reported appropriate meeting notice was posted at the Commission offices, the Capitol, and on the agency website.

C. Selection of Commission Chair and Other Officers

Staff Counsel David Buerger presented the memo and asked for Commission feedback on the term of the Chairperson. Unanimous consent vote proposed by Commissioner Davis to have July 1 of the even-numbered year always be the start date of the new officers with an end date of June 30 of the odd-numbered year. Seconded by Commissioner McCallum. Motion carried unanimously.

Buerger reviewed the procedure for the Commission to determine the party of the Chairperson. No objections to the proposed procedure. Buerger then placed two slips of paper, one marked with a "D" and one marked with an "R" into a wicker basket, shook the basket, and drew a slip at random. The slip with a "D" was drawn indicating that the first chair should be selected from the Democratic Party.

Commissioner Halbrooks suggested the commissioners who are up in 2019 should be chair/vice chair. Buerger raised the point that if the chair is absent that would turn control over to the other

Wisconsin Ethics Commissioners

J. Mac Davis | David R. Halbrooks | Robert Kinney | Peg Lautenschlager | Katie McCallum | Pat Strachota

Administrator
Brian Bell

party for that meeting. Commissioner Halbrooks said he preferred both parties participate as officers during the two-year term.

MOTION: That Commissioner Lautenschlager be appointed Chair with Commissioner McCallum as vice-chair for the first two-year term. Moved by Commissioner Halbrooks and seconded by Commissioner Kinney. Motion carried unanimously.

Commissioner Lautenschlager began to chair the meeting.

Buerger raised the option of selecting a secretary to certify the minutes of the meeting. Commissioners discussed whether there is need for such an officer.

MOTION: To have the vice chair sign the meeting minutes. Moved by Strachota and seconded by Kinney. Motion carried unanimously.

D. Considering Compensation and Employment of an Administrator (**Closed Session**)

MOTION: Move into closed session pursuant to § 19.85(1)(c) to consider the compensation and employment of an administrator. Moved by Commissioner Kinney. Seconded by Commissioner McCallum. Motion carried unanimously.

19.85 (1) (c) The Commission may consider employment, promotion, compensation or performance evaluation data of any public employee over which it exercises responsibility.

The Commission recessed to closed session at 1:17 p.m. and returned to open session at 1:55 p.m.

E. Administrator Recruitment (**Open Session**)

MOTION: Hire Brian Bell as the Administrator at a salary of \$92,500. Moved by Commissioner Kinney and seconded by Commissioner Halbrooks. Motion carried unanimously.

F. Minutes of Previous Meetings

1. June 28, 2016

MOTION: Approve the minutes of the June 28, 2016 meeting as provided in the materials. Moved by Commissioner Strachota and seconded by Commissioner Kinney. Motion carried unanimously.

G. Agency Transition Update

No presentation, discussion, or questions from the Commission.

H. Organizational Matters

1. Conduct of Meetings

Mr. Buerger highlighted the statutory requirements for the Commission as outlined in the memo in the materials and advised the Commission of some additional obligations imposed by 2015 Wisconsin Act 118. Per diems will be one full day per meeting unless otherwise authorized by the Commission.

Question by Commissioner Davis as to whether four votes are always required regardless of attendance. Buerger confirmed that four votes are required. Question by Commissioner Davis as to when the two month clock starts for the requirement to update guidance or start rulemaking due to a binding court decision. Buerger stated it would start when the decision is final and no appeals pending.

MOTION: Use the most recent version of Robert's Rules for the conduct of Commission meetings. Moved by Commissioner Davis and seconded by Commissioner Strachota.

Roll Call:

Davis – Aye

Halbrooks – No

Kinney – Aye

Lautenschlager – Aye

McCallum – Aye

Strachota – Aye

Motion carried.

2. Commissioner and Staff Roles

Commissioners Strachota and Davis indicated a preference for paper copies of meeting materials. The Commissioners also discussed how early they would like materials for a meeting. Commission would like materials at least 10 days ahead of the meeting.

Buerger inquired if the Commission would authorize delegation of authority for settlements at or below \$2,500 under Wis. Stat. § 19.49(2)(b)10. Commission indicated they would prefer to keep all settlements going through the Commission until they have a better sense of the level of activity. Ethics Specialist Adam Harvell indicated that staff has purposely delayed conducting audits until after July 1, and there are not many settlements in the pipe yet. Commission consensus to reassess this at the August meeting.

3. Memoranda of Understanding with Wisconsin Elections Commission

Buerger briefly reminded the Commission that MOUs need to be adopted, but that the draft MOUs in the materials are subject to amendments as requested by the Elections Commission. Commission consensus to consider the MOUs at the August meeting.

4. Future Meeting Schedule

MOTION: Adopt the attached list of three meetings for 2016 as schedule for the Commission (August 23, October 18, December 6). Meetings will begin at 9:00 a.m. Moved by Commissioner Kinney and seconded by Commissioner Strachota. Motion carried unanimously.

Commissioner Davis asked that 2017 dates be preliminary decided at the August meeting.

I. Biennial Budget Preparations

Chief Administrative Officer Sharrie Hauge presented the memo in the materials to the Commission and explained the budget reconciliation process. Hauge reviewed the four staff recommendations for budget initiatives for the Commission to consider. Question from Commissioner Strachota about how the number for the investigation was determined. Hauge indicated that the figure came from prior year funding. Commissioner Davis questioned whether there was any averaging across multiple years because the number seemed excessively high. Hauge indicated that DOA gave us what we spent last year, but that if we do not use the money this year, it will lapse. Question from Chairperson Lautenschlager if the investigation budget could be used to pay for the identified shortfalls. Hauge indicated staff could request that from the Legislature. Chairperson Lautenschlager asked this be brought back to the Commission in August.

J. Future Agenda Items

Buerger presented the staff memo in the materials and indicated that prioritization would be required, but all items could be future agenda items. Commissioner Strachota would like staff to do a preliminary prioritization according to time and importance. Buerger reminded the Commission that the budget will need to be addressed at the August meeting.

K. Request for Advice under Chapter 11 (**Closed Session**)

MOTION: Move into closed session pursuant to § 19.85(1)(h) to consider a request for confidential written advice pursuant to § 19.46(2). Moved by Commissioner Strachota. Seconded by Commissioner McCallum. Motion carried unanimously.

5.05 (6a) and 19.85 (1) (h) The Commission's deliberations on requests for advice under the ethics code, lobbying law, and campaign finance law shall be in closed session.

The Commission moved into closed session at 2:25 p.m.

MOTION: Continue the past practice of the Government Accountability Board and consider a salary paid to a candidate to be "strictly personal use" and prohibited under § 11.1208(2)(a). Direct staff to draft an informal opinion of the Commission for the inquiring party consistent with this motion. Moved by Commissioner Davis and seconded by Commissioner McCallum. Motion carried unanimously.

MOTION: Return to open session. Moved by Commissioner Kinney and seconded by Commissioner Strachota. Motion carried unanimously.

The Commission returned to open session at ??? p.m.

L. Adjourn

MOTION: Move to adjourn. Moved by Commissioner Kinney and seconded by Commissioner Strachota. Motion carried unanimously.

####

The next regular meeting of the Wisconsin Ethics Commission is scheduled for Tuesday, August 23, 2016, at the Commission office in Madison, Wisconsin beginning at 9:00 a.m.

July 11, 2016 Wisconsin Ethics Commission meeting minutes prepared by:

David Buerger, Staff Counsel

July 11, 2016

July 11, 2016 Wisconsin Ethics Commission meeting minutes certified by:

Commissioner Katie McCallum, Vice Chair

August 23, 2016



Wisconsin Ethics Commission

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DATE: For the August 23, 2016 Meeting

TO: Members, Ethics Commission

FROM: David Buerger
Staff Counsel

SUBJECT: Campaign Contributions by Commissioners

Background

The members of the predecessor to the Ethics Commission, the Government Accountability Board, were prohibited, while serving on the Board, from making a contribution to a candidate for state or local office. [Wis. Stat. § 15.60\(7\)](#) (repealed June 30, 2016). The Legislature, in creating the Ethics Commission, did not enact a similar prohibition on contributions by commissioners, although it retained a prohibition on such contributions by staff of the Commission. [Wis. Stat. § 19.49\(2\)\(d\)](#). While Commissioners are not legally prohibited from making contributions, the Commission may choose to adopt a policy of abstention from contributions to promote public confidence in the impartiality of Commission.

Discussion

The First Amendment to the United States Constitution and Article I, Section 3 of the Wisconsin Constitution, both affirmatively declare that every person has the right to free speech. The right to participate in democracy through political contributions is protected by these provisions, but that right is not absolute. In *Buckley v. Valeo*, 424 U.S. 1 (1975) the United States Supreme Court recognized that Congress may regulate campaign contributions to protect against corruption or the appearance of corruption. Avoiding the appearance of corruption is an important concern that may justify restrictions on political association, such as those of [Wis. Stat. § 19.49\(2\)\(d\)](#), which bar Commission staff from making contributions to candidates for state or local office.

While the Legislature intentionally designed the structure of the Ethics Commission to provide for more direct appointment of the Commissioners by partisan officials, Wisconsin still values the idea of nonpartisan decision making and administration. For example, Wisconsin specifically adheres to the concept of a nonpartisan judiciary. Judges and candidates for judicial office are barred from making or soliciting contributions in support of a political party's causes or candidates, or publicly endorsing or speaking on behalf of such candidates. [SCR 60.06\(2\)](#). There are also a variety of agencies that are required by state law to have a nonpartisan staff, such as the Legislative Fiscal Bureau, Legislative Audit Bureau, and the Legislative Technology Services Bureau.

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If the Commission wished, it could choose to adopt a policy of abstention to avoid the appearance of bias when deciding matters which may impact candidates regulated by the Commission. Staff has put together three options that the Commission may choose to adopt as-is or modify as it chooses.

Policy Options

Below are three policy options developed for the Commission's consideration. The first option does not impose any restrictions on contributions and instead affirms that the Commissioners may contribute to any candidate or committee registered in Wisconsin. The second option mirrors the restrictions on contributions currently placed on the commission's staff and also matches the restrictions placed on the members of the predecessor Government Accountability Board. The third option expands the restriction to include any committee regulated by the Commission. The Commission could select one of these options as written, modify one of these options, create a new option altogether, or take no action.

MOTION #1: Affirm that members of the Commission may make contributions as defined by Wis. Stat. § 11.0101(8) to any candidate or committee registered in Wisconsin while serving on the Ethics Commission.

OR

MOTION #2: Adopt the following language as the policy of the Ethics Commission: "To avoid the appearance of bias and promote confidence in the administration and regulation of campaign finance, ethics, and lobbying, the members of the Wisconsin Ethics Commission agree to refrain from making a contribution as defined by Wis. Stat. § 11.0101(8) to any candidate for state or local office while serving on the Ethics Commission."

OR

MOTION #3: Adopt the following language as the policy of the Ethics Commission: "To avoid the appearance of bias and promote confidence in the administration and regulation of campaign finance, ethics, and lobbying, the members of the Wisconsin Ethics Commission agree to refrain from making a contribution as defined by Wis. Stat. § 11.0101(8) to any candidate or committee registered in Wisconsin while serving on the Ethics Commission."



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DATE: For the August 23, 2016 Meeting

TO: Members, Ethics Commission

FROM: Brian M. Bell, MPA
Commission Administrator

SUBJECT: Electronic Fee Collection Policy

Background

Wisconsin Statutes allow the Ethics Commission (“Commission”) to accept electronic forms of payment (e.g., credit/debit cards and ACH payments) for campaign finance filing fees [WIS. STAT. § 11.0102 \(2a\)](#), lobbying fees [WIS. STAT. § 13.75 \(1r\)](#), and any other payments pursuant to the administration of the statutes the Commission administers [WIS. STAT. § 19.47 \(11\)](#). These statutes also allow the Commission to charge a surcharge to recover the charges associated with the acceptance of electronic payment (e.g., credit card processing fees). These statutes were all recently created as a part of 2015 Wisconsin Acts 117 and 118.

The State Controller’s Office (SCO) in the Department of Administration oversees the implementation of electronic payment collection by state agencies. Credit card processing fees range from approximately 1.6 percent to 2.25 percent for Visa, MasterCard, Discover Card, and American Express. On average, it costs the State \$1.60 in processing fees for a \$100 credit/debit card payment, and \$.33 for a paper check payment. E-check, or internet-initiated ACH debits are not subject to the credit/debit card processing fees. Agencies may choose to absorb the cost of the convenience fee, though this essentially negates the savings realized through electronic payments. Agencies can elect to charge either a flat or percentage-based convenience fee, but all fees must be approved by the State Controller’s office. The Commission currently accepts e-checks for lobbying fees. All other transactions are currently paper-based (cash receipting and paper checks).

Committees, lobbying principals, and lobbyists have requested to be able to make payments electronically, specifically by credit/debit card, for several years. By authorizing the Commission to accept electronic payments in recent legislation, the Legislature may be indicating their intent and/or the desire of their constituents to have the Commission accept electronic payment transactions.

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Policy Options

Below are several policy options developed by staff for the Commission's consideration. The Commission could select one of these options as written, modify one of these options, create a new option altogether, or take no action.

Option 1: Accept electronic payments and charge a surcharge of two percent on all transactions. Implement credit/debit and e-check payment options for all transactions and establish a two percent convenience fee (upon SCO approval) to cover the associated credit card fees and ongoing support of electronic payments. Paper-based payment options would still be available.

Option 2: Accept ACH (e-check) payments for all types of transactions, but do not accept credit/debit card payments. The Commission could decide to only accept e-check payments and not credit/debit cards. There would be some staff effort requirement for implementation, but constituents would not have to pay a convenience fee. However, constituents would not have available all possible payment options. Paper-based payment options would still be available.

Option 3: Accept electronic payments, but absorb the cost of the processing electronic payments. Implement credit/debit and e-check payment options in addition to paper-based payment options, but absorb the cost of the electronic payment fees in the Commission budget.

Option 4: Status Quo. Continue to only accept e-check payments for lobbying fees and continue to accept paper-based payments for all other transactions.

Other Policy Considerations

Implementing electronic payment options would increase the payment options available to the Commission's constituents, and offer payment options that are likely more convenient. The initial establishment of electronic payment options would require some staff effort, but these time costs would likely be significantly offset by the long-term savings of processing fewer paper-based transactions.

Recommended Motion

The Commission adopts as its payment policy option 1, 2, or 3 above and directs the Ethics Commission Staff to work with the State Controller's Office to implement the policy.



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DATE: For the August 23, 2016 Meeting

TO: Members, Ethics Commission

FROM: Adam Harvell

SUBJECT: Review of Campaign Finance, Lobbying, and SEI Settlement Procedures

Background

When the Government Accountability Board administered campaign finance, lobbying, and ethics laws, it put in place a set of procedures to address common violations of these statutes. Those settlement schedules allowed staff to address routine violations in a consistent and timely manner, and limited Board involvement to more complex issues that required individual consideration.

The Ethics Commission has the power under Wis. Stat. § 19.49(1)(b) to settle violations of the statutes it administers. The Commission is also governed by statute § 19.49(2)(b) 10.:

19.49(2)(b)10. The commission shall, by rule, prescribe categories of civil offenses which the commission will agree to compromise and settle without a formal investigation upon payment of specified amounts by the alleged offender. The commission may authorize the administrator to compromise and settle such alleged offenses in the name of the commission if the alleged offenses by an offender, in the aggregate, do not involve payment of more than \$2,500.

The settlement schedules approved by the Government Accountability Board are presented for the Commission's review. Staff requests that the Commission consider those schedules, update them if desired, and approve them. Staff counsel will incorporate them into future administrative rules, and staff will use them in conducting audits and responding to future violations.

Attachments

The attached settlement schedules have been updated to reflect minor changes – for example, the statutory authority for the Commission to approve these schedules has moved from Chapter 5 to Chapter 19 of the state statutes. References to the G.A.B. have been replaced by references to the “Commission” or “Ethics Commission.”

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- 1) The Campaign Finance Violation Settlement Offer Schedule passed by the Government Accountability Board in April, 2016.
- 2) The Lobbying Violation Settlement Offer Schedule passed by the Government Accountability Board in March and April, 2015.
- 3) The Settlement Offer Schedule for Late Statements of Economic Interests passed by the Government Accountability Board in March, 2015.

Other attached documents have been included for context:

- 4) An overview of campaign finance and lobbying audit activity conducted in 2015 (for calendar year 2014 and the first six months of 2015). This was presented to the G.A.B. in March, 2016.
- 5) A listing of settlements collected in 2015.
- 6) A listing of violations from 2015 for which the penalty was waived.

Recommended Motion

The Commission should make changes to the current settlement schedules if desired, approve them, and instruct staff to implement them for future audits and complaints. The commission should also instruct staff counsel to incorporate them into future administrative rules.



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Settlement Offer Schedule for Campaign Finance Violations

This document sets out authorized settlement offers for campaign finance violations, in lieu of pursuing court action. It includes recommended settlement amounts for specific situations. The **Commission**'s authority to make settlement offers is set out in Wis. Stat. § 19.49(1)(b). The **Commission** may specify penalties for certain offenses and may compromise and settle those matters without formal investigation. If an individual or committee chooses not to accept a settlement offer, the **Commission** may bring a civil action and seek the maximum forfeitures provided by law, including costs and attorneys' fees.

The **Commission**'s primary interest is providing timely and accurate campaign finance information to the public, and collection of civil penalties is secondary. When addressing violations, **Commission** staff will consider mitigating or exacerbating circumstances, and may adjust penalties accordingly. These circumstances include:

- The number of previous offenses
- The amount of financial activity
- Whether the committee is a candidate or non-candidate committee
- A candidate's presence on the ballot
- Whether the committee has provided a portion of the required information
- The sophistication of the parties, and whether the individuals involved should have been aware of the violation

1. Late Filing of Continuing Campaign Finance Reports:

(Calendar) Days Late:	First Offense:	Second or Greater Offense:
0-30	Warning	Warning
31-60	\$100	\$200
61-90	\$200	\$300
91-120	\$300	\$400
Over 120	\$500	\$500

Every registered committee, referenda group, or sponsoring organization must file a continuing report every six months. Committees on "exempt" status that have less than **\$2,000** activity in a calendar year do not have to file reports. Reports are due by **January 15th and July 15th, and the 4th Tuesday in September**, or if those dates fall on a weekend, the following Monday.

Maximum penalty is \$500 plus the greater of \$50 or one percent of the annual salary of the office sought for each day of delinquency. If a report is not filed after 120 days

Wisconsin Ethics Commissioners

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or a forfeiture is not paid, a registrant may be subject to court action and/or administrative suspension. A committee on administrative suspension may not engage in any activity without subjecting itself to court action.

Committees required to file electronically that file only on paper may be considered as not having filed.

2. Late Filing of Pre-Primary, Pre-Election, and special Post-Election Reports:

(Business) Days Late:	Penalty:
1	\$100
2	\$150
3	\$200
4	\$250
5	\$300
6	\$350
7	\$400
8	\$450
9	\$500

Election related reports are the Pre-Primary, Pre-Election and special Post-Election reports. Every candidate on the ballot in an election, and every committee or conduit that gives to a candidate on the ballot must file the Pre-Primary or Pre-Election reports. Non-Partisan state-level candidates with no primary must file a Pre-Primary report. Candidates who lose their primary must still file a Pre-Election report. Only candidates in special elections must file the special Post-Election report. Local candidates with no primary do not file with the **Commission** and do not have to file a Pre-Primary report.

Pre-Primary and Pre-Election reports cover up to 15 days before the election and are due 8 days before Election Day. Special Post-Election reports cover up to 22 days after the election and are due within **45** days after Election Day. If a due date falls on a weekend, reports are due the following Monday.

Maximum penalty is \$500 plus the greater of \$50 or one percent of the annual salary of the office sought for each day of delinquency. If a report is not filed by a losing candidate after 60 days or a forfeiture is not paid, the candidate may be subject to court action and/or administrative suspension. A committee on administrative suspension may not engage in any activity without subjecting itself to court action. Office holders and other registrants may be subject to court action.

3. Late Payment of Annual Filing Fees (Wis. Stat. § 11.0102(2)):

(Calendar) Days Late:	Penalty:
1-15	Warning
16-45	\$300
46-90	\$500
91 or more	\$800

All non-candidate committees with more than \$2,500 in expenses in the previous calendar year must pay a \$100 filing fee by January 15th, or the following Monday if January 15th is on a weekend. Maximum penalty is \$800.

4. Late/Incomplete Filing of 72-Hour Reports:

Late/Incomplete Reporting	Penalty:
	5% of the total amount of unreported contributions (\$50 per \$1000 unreported)

Candidate committees, party committees, and legislative campaign committees must report contributions of \$1,000 or more received between the closing date of the Pre-Primary or Pre-Election report and the day of the Primary or Election. Any such contributions must be reported to the Commission within 72 hours. Those committees, persons, or organizations are required to report independent expenditures within 72 hours if 1) the communication occurs within 60 days of an election and 2) they have passed a \$2,500 threshold for independent expenditures during that calendar year.

Maximum penalty is \$500 for each reporting violation.

5. Incomplete Contribution Information:

(Calendar) Days Late:	Penalty:
Up to 30 days from staff contact	No penalty
31 or more days from staff contact	\$100 plus 10% of contributions with incomplete information

When a registrant fails to disclose required contributor information such as name, address, or occupation, staff will request the information from the registrant and make a record of the request. If a registrant does not respond to a staff request for the required information within 30 days, the Commission may initiate enforcement action. Staff will have discretion to extend the 30 day deadline based on a registrant's level of activity, number of violations, and partial communication of the required information.

Maximum penalty is \$500 per reporting violation.

Wis. Stat. § 11.0103(1) requires a committee to “make a good faith effort to acquire all required information.” If a registrant demonstrates a concerted effort to obtain required information and provides all required information for at least 90% of its contributions where the information is required, no forfeiture will be sought. No forfeiture will be sought if fewer than ten contributions have incomplete information.

6. Cash Balance Discrepancies:

(Calendar) Days Late:

Up to 30 days from staff contact
31 or more days from staff contact

Penalty:

No penalty
\$100 plus 10% of discrepancy

A cash balance discrepancy occurs when a registrant submits a campaign finance report with a beginning cash balance which differs \$100 or more from the ending cash balance on the prior campaign finance report. A cash balance discrepancy can also occur if the report’s beginning cash balance, plus all receipts, minus all expenditures differs by \$100 or more from the reported ending cash balance.

The registrant who filed the report will be contacted and informed that the report is inaccurate and given 30 days to file a corrected campaign finance report.

Maximum penalty is \$500 per unreported transaction that led to the discrepancy.

Staff will have discretion to extend the deadlines based on a registrant’s level of activity, number of violations, and partial communication of the required information.

7. Exceeding Contributions Limits

Violation Type:

Receiving Excess Contribution
Furnishing Excess Contribution

Penalty:

Amount of excess contribution
If receiving committee forfeits full amount of excess contribution, \$0.
Otherwise, case-by-case basis

There shall be no penalty for excess contributions returned within 15 days after the filing date for the reporting period in which the contribution is received as provided by Wis. Stat. §11.1110(2)(b).

If any registrant pays the amount of the excess contributions to the common school fund (through the Commission) or to charity, no additional penalty will be required from the contributor. If a registrant contributes funds to charity, staff will request documentation of that payment.

If a receiving committee returns excess contributions to the donor after the deadline stated above, the Commission may seek a settlement from the committee and contributor of the amount of the illegal contributions. This will be presented to the Commission on a case-by-case basis.

Maximum penalties for the receiving committee are \$500, plus payment of the amount of the excess contribution to the donor, the common school fund, or charity. Maximum penalties for the contributor are \$500 plus treble the amount of the portion of the contribution that exceeds the maximum.

8. Prohibited Corporate Contributions

Violation Type: Corporate Contribution – Committee Penalty	Penalty: Amount of contribution plus the lesser of \$500 or 50% of the contribution
Corporate Contribution – Corporate Penalty	1½ times amount of contribution

There shall be no penalty for excess or improper contributions returned within 15 days after the filing date for the reporting period in which the contribution is received as provided by Wis. Stat. § 11.1110(2)(b).

Maximum penalty for the receiving committee is \$500 but a committee that refuses to pay the amount of the excess contribution to the donor, the common school fund, or charity may be subject to a criminal referral. Maximum penalty for the corporate contributor is three times the amount of the contribution.

9. Prohibited Lobbyist Contributions

Violation Type: Lobbyist Contribution – Committee Penalty	Penalty: Return of the contribution to the lobbyist
Lobbyist Contribution – Lobbyist Penalty	1.5 times amount of contribution, up to maximum of \$1,000

There shall be no penalty for excess or improper contributions returned within 15 days after the filing date for the reporting period in which the contribution is received as provided by Wis. Stat. § 11.1110(2)(b).

Limitation on lobbyist contributions are set out in Chapter 13 but the settlement offer schedule is set out here. Maximum penalty for the receiving committee is \$1,000. Maximum penalty for the lobbyist is \$1,000.

10. Commission procedures for implementing settlement offers and resolving violations

- a. Staff may issue warnings for minor violations.

- b. Staff will consider registrants' explanations, and mitigating or exacerbating circumstances, when assessing penalties or recommending action to the **Commission**.
- c. Penalties may be reduced or waived at the staff's discretion if the committee has terminated or is terminating and has insufficient funds to pay a penalty.
- d. Staff will inform the **Commission** as soon as practicable of any deviations from the standard settlement offer schedule and the reasons therefore.
- e. Once staff has notified a registrant or individual of the violation and settlement offer, the registrant or individual shall have 30 days to pay the settlement offer or submit a written request to the **Commission** to present their case.
- f. The **Commission** may, on its own motion or at the request of its staff, reconsider any settlement offer. Material mistakes and new evidence are among factors the **Commission** may consider.
- g. If the registrant or individual refuses to accept the **Commission**'s settlement offer or does not respond, staff counsel may commence a civil action to collect a forfeiture of at least the amount of the settlement offer. After litigation begins, any settlement of the case shall include all costs of litigation.
- h. Staff may place some registrants on administrative suspension rather than pursue civil action. This will generally apply to registrants with little activity that cannot be contacted. When staff believes a registrant should be placed on administrative suspension, staff will present the situation for the **Commission**'s approval. If a registrant on administrative suspension wishes to become active again, staff will actively seek all incurred penalties and all reports, including asking the **Commission** to initiate a civil action.
- i. Staff will inform the **Commission** of all late reports, settlement offers, paid settlements and administrative suspensions, and will compile a yearly summary for each calendar year.

(Previously approved by the Government Accountability Board in April, 2016).



Wisconsin Ethics Commission

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Settlement Offer Schedule for Lobbying Law Violations

This document sets out authorized settlement offers for lobbying law violations, in lieu of pursuing court action. It includes recommended settlement amounts for specific situations. The **Commission**'s authority to make settlement offers is set out in Wis. Stat. § 19.49(1)(b). The **Commission** may specify penalties for certain offenses and may compromise and settle those matters without formal investigation per Wis. Stat. § 19.49(2)(b)10. If a lobbying principal or lobbyist chooses not to accept a settlement offer, the **Commission** may bring a civil action and seek the maximum forfeitures provided by law, including costs and attorneys' fees. If there appears to be an intentional violation of law, the matter may be brought to the **Commission** for further action.

The **Commission**'s primary interest is providing timely and accurate lobbying information to the public, and collection of civil penalties is secondary. When addressing violations, **Commission** staff will consider mitigating or exacerbating circumstances, and may adjust penalties accordingly.

1. Late filing of semi-annual lobbying report (§13.68) – maximum penalty \$5,000

Days Late	First Offense	Second or Greater Offense
2 business days	No penalty	Warning
3-5 days	Warning	\$50
6-15 days	Warning	\$100
16-29 days	\$50	\$250
30+ days	\$100	\$500

(Previously adopted by unanimous vote of the Government Accountability Board, March 4, 2015.)

2. Lobbying principals are required by Wis. Stat. § 13.67(1) to report each legislative proposal, budget bill subject, or lobbying topic through the Eye On Lobbying website within 15 days of the first communication on that matter. The penalties for late reporting of lobbying activity is outlined in Wis. Stat. § 13.69(2m). A principal who fails to comply may be required to forfeit up to \$25 for the first offense within a three-year period and up to \$100 for a second and subsequent offense within three years from the first violation.

Wisconsin Ethics Commissioners

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Late Reports	Percent of Total Effort	Forfeiture
1st Occurrence of Late Reported Interest	< 10 percent	Warning
	>= 10 percent	\$25 Per Interest
2 nd Occurrence of Late Reported Interest	< 10 percent	\$50 Per Interest
	>= 10 percent	\$100 Per Interest
3 rd or Greater Occurrence of Late Reported Interest	Any	\$100 Per Interest

(Previously adopted by unanimous vote of the Government Accountability Board, April 29, 2015.)

The following several examples illustrate how the **Commission** administers forfeitures for violations of the 15-day reporting requirement.

EXAMPLE 1: A lobbying principal is late in reporting one matter (bill, budget bill subject, administrative rule, or topic) within 15 days of the first communication during a six-month reporting period (e.g., January 1 through June 30). This is the first reporting period within the last three years in which it has reported late, and the late matter represents 10 percent or more of its total effort during the period. The principal would be subject to a forfeiture of \$25.

EXAMPLE 2: A lobbying principal is late reporting two matters that represent more than 10 percent of their total effort. This is the second reporting period within the last three years in which the principal has reported matters late. The principal would be subject to a forfeiture of \$100 per matter for a total of \$200.

EXAMPLE 3: A lobbying principal is late reporting one matter that represents less than 10 percent of its total effort, and late reporting on another matter that represents more than 10 percent of its total effort. This is the second reporting period in the past three years where the principal has reported matters late. The principal would be subject to a forfeiture of \$150 (\$50 for the matter that was less than 10 percent of total effort, plus \$100 for the matter representing more than 10 percent of the total effort of the principal during that period).

EXAMPLE 4: A lobbying principal is late reporting two matters during a reporting period and this is the third or more reporting period in which the principal reported late on a lobbying matter. The principal would be subject to a forfeiture of \$200 (\$100 for each matter, regardless of the percentage of total lobbying effort each matter represents).



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Statement of Economic Interests - Settlement Offer Schedule for Late Filing, and Procedures for Extensions and Waivers

This document sets out clear written procedures for enforcing the requirement for state public officials to file Statement of Economic Interests by the statutory deadlines set out in Wis. Stat. § 19.43. The **Commission**'s authority for initiating settlement offers is set out in Wis. Stat. § 19.49(1)(b).

The primary interest of the **Commission** is providing timely and accurate economic information to the public, and collection of penalties is secondary to that goal. In assessing penalties and offering settlements for violations, **Commission** staff will consider mitigating or exacerbating circumstances like the number of previous offenses and the nature of the official's position, and may modify procedures and penalties accordingly.

Filing of Statements of Economic Interests, Wis. Stat. § 19.43.

a. Requests for Extensions of time under Wis. Stat. § 19.43(8)

By statute, officials may request an extension of the deadline to file a Statement of Economic Interests. When an official requests an extension, staff will ask for the request in writing. For reasons of administrative efficiency, staff will grant requests for extensions for 15 days or less. If the official's request is for more than a 15 day extension, staff will grant an extension of 15 days, and inform the official that their request for further extension will be presented at the next **Commission** meeting, along with information on when the official's Statement was filed. If the **Commission** grants the request for further extension, no penalty will be assessed. If the **Commission** denies the request for further extension, and the official filed a Statement more than 15 days after the original deadline, the official will be assessed a penalty for late filing under section (d). Staff will not grant extensions to candidates for office required to file a Statement under § 19.43(4).

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b. Requests for Waivers under § 19.43(8)

When an official requests a waiver from filing all or part of their Statement, staff will ask for the request in writing. Staff will inform the official that their request for waiver will be presented at the next **Commission** meeting, along with information on whether part or all of the official's Statement has been filed. If the **Commission** grants the request for waiver, the official will not be required to file the portion of the Statement that was waived. If the **Commission** denies the request for waiver, the official will be notified of that denial. If the official fails to file all required information within 15 days of that notification, penalties will be assessed under section (d).

c. Failure to Timely File by Candidates for State Public Office under Wis. Stat. § 19.43(4)

A candidate required to file a Statement that fails to meet the deadline set out in Wis. Stat. § 19.43(4) will be denied ballot placement, and no financial penalty will be assessed.

d. Failure to Timely File by Officials and Nominees under Wis. Stat. § 19.43(1), (2) and (3)

If an official or nominee is required to file a Statement by Wis. Stat. § 19.43(1), (2), or (3) and fails to file a Statement within 15 days after written notice from staff, staff will offer a settlement agreement of \$50. This penalty will increase by \$50 every two weeks, up to a maximum of \$500. If an official or nominee fails to file a statement within 30 days, staff will notify the officials identified in Wis. Stat. § 19.43(7), and instruct the employer to withhold compensation to the individual until the Statement has been filed.

Staff may use its own discretion to waive filing requirements or penalties in the case of an official or nominee who has already terminated their nomination, employment, or service.

(Previously approved by the Government Accountability Board in March, 2015).

MEMORANDUM

DATE: For the March 1, 2016 Board Meeting

TO: Members, Wisconsin Government Accountability Board

FROM: Jonathan Becker, Administrator Ethics and Accountability Division
Wisconsin Government Accountability Board

Prepared by: Adam Harvell
Ethics and Accountability Division

SUBJECT: 2015 Campaign Finance and Lobbying Audit Overview

Campaign Finance Audits

In addition to auditing filers for late reports and payment of the yearly filing fee, staff conduct various audits on campaign finance data received through the many reports filed with our office. An audit is one tool used to ensure compliance with campaign finance laws enforced by the G.A.B. An update on the status of audits conducted in 2015 is provided below:

- Late reports: During the calendar year 2015, more than 3,300 reports were filed, not including 48-hour reports. Of those reports, 387 were filed late and civil penalties were assessed on 8 of those reports. A total of \$1,050.00 in civil penalties were collected.

Filing Period	Total # of Rpts	# Late Rpts	Penalties	Total \$ Penalties
2015 January Continuing	1517	156	4	\$600
2015 Spring Pre-Primary	171	12	1	\$150
2015 Spring Pre-Election	216	17	0	\$0
2015 July Continuing	1422	202	3	\$300
Total	3326	387	8	\$1050

- Late filing fees: Non-candidate committees with more than \$2,500 in activity in a calendar year are required to pay a \$100 filing fee. In 2015, staff collected fees for the 2014 calendar year. 519 committees paid timely. Five committees paid a \$200 penalty. Total penalties for late filing fees were \$1,000.
- Employer and occupation information provided for contributions from an individual exceeding \$100: Thirty-six committees with substantial compliance issues for the 2014 calendar year were initially contacted. All thirty-six of these committees amended their reports to include this information and have been closed. No financial penalties were assessed.

- Corporate Contributions: Thirteen committees were contacted regarding possible corporate contributions. Thirteen committees corrected their reports and were cleared of corporate contributions. Three committees paid forfeitures totaling \$1,015.00. Two committees are still pending.
- Registered lobbyist contributions outside the allowable window: Thirty lobbyists were originally identified as contributing to state-level partisan candidates outside of the allowable window. Twenty lobbyists were cleared based on a variety of factors and no violation occurred. Ten lobbyists admitted to contributing outside the allowable window and paid a total of \$2,088.00 in civil penalties.
- Campaign period limit for individuals and committees: Audits were performed on activity for the 2014 fall elections and the 2015 spring election cycle. Fifty-two committees were initially contacted about individual contributions in excess of individual contribution limits. Thirty-four committees were initially contacted about contributions in excess of the committee contribution limits. Fifty-seven committees were cleared of any violations. Twenty-nine committees admitted to accepting contributions in excess of the limits and paid a total of \$49,475.25 in penalties.
- Cash Balance Audit 2013: In summer 2014, G.A.B. staff began an audit of all committees' cash balances from the calendar year 2013, and contacted 81 committees with a cash balance discrepancy of \$100 or more. Seventy-four committees amended reports and corrected the issue. Seven committees paid \$1,634.04 in civil penalties. The penalties were all received in 2015, so they are included here.
- Cash Balance Audit 2014: In summer 2015, G.A.B. staff began an audit of all committees' cash balances from the calendar year 2014, and contacted 117 committees with a cash balance discrepancy of \$100 or more. Ninety-nine committees amended reports and corrected the issue, and 3 terminated so any penalty was waived. Twelve committees paid \$3,210.45 in civil penalties. Three committees are still pending.
- A separate list of penalties collected in 2015, including penalties from the lobbying and financial interests programs, is attached. Also attached is a list of committees that would have normally been assessed a penalty under the board's settlement offer schedule, but instead received a warning. The reason for the reduced penalty is noted.

Lobbying Audits

In May 2015 G.A.B. staff developed, and the Board approved, updated forfeiture schedules for violations of 15-day reporting and late filing of Statements of Lobbying Activities and Expenditures (SLAEs). Upon the conclusion of the January 2015 – June 2015 reporting period, staff became aware of a large number of late 15-day reports as well as several instances of “stealth lobbying”, or late registration. The majority of those instances were self-reported, which was taken into account when calculating appropriate forfeitures. It is unclear why this particular reporting period experienced such a sharp increase in violations; however, most offending principals had no problem complying with their penalty.

Year	In the matter of	Settlement:	Audit Area	Audit Category	Reporting Period	Penalty Reduced -
2015	Friends of Scott Walker Republican Party of Pierce County	\$ 237.50	Campaign Finance	Corporate Contributions (CF)	2014 Calendar Year (CF)	
2015	Trempealeau County	\$ 400.00	Campaign Finance	Corporate Contributions (CF)	2014 Calendar Year (CF)	
2015	Friends of Jorgenson	\$ 1,000.00	Campaign Finance	Exceeding Contribution Limit (CF)	2014 Calendar Year (CF)	
2015	Citizens for George Ferriter	\$ 105.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Friends of Robb Kahl	\$ 1,400.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Riemer for Assembly	\$ 150.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Friends of Leah Vukmir	\$ 1,150.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Citizens for August	\$ 250.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Hintz for Assembly	\$ 750.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Taxpayers for Nygren	\$ 2,400.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Van Wanggaard	\$ 250.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Scott Fitzgerald for Senate	\$ 5,990.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Amanda for Assembly	\$ 75.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Roth for Wisconsin	\$ 1,050.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Friends of Steve Nass	\$ 250.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Knodl for Assembly	\$ 100.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Sanfelippo for Assembly	\$ 1,125.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Friends of Kathy Bernier	\$ 800.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Friends of David Heaton	\$ 100.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Novak for Assembly	\$ 100.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Mandy Wright for Assembly	\$ 100.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Friends of Andy Mitchell	\$ 80.25	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Jim Ott for Assembly	\$ 250.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	People for Rebecca	\$ 1,000.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Friends of Leah Vukmir	\$ 250.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Krug for Assembly	\$ 1,000.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Jon Erpenbach Senate Committee	\$ 600.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Tranel for Assembly	\$ 250.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Friends of Jessie	\$ 500.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Steineke for Assembly	\$ 250.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	

Year	In the matter of	Settlement:	Audit Area	Audit Category	Reporting Period	Penalty Reduced -
2015	Friends of Scott Walker	\$ 28,150.00	Campaign Finance	Exceeding Contribution Limit (CF)	Election Cycle Ending Dec 2014 (CF)	
2015	Friends of Sheila Harsdorf	\$ 130.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2013 Calendar Year (CF)	
2015	Steineke for Assembly	\$ 121.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2013 Calendar Year (CF)	
	La Crosse County Republican					
2015	Party	\$ 151.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2013 Calendar Year (CF)	
2015	Friends of Julie Lassa	\$ 50.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2013 Calendar Year (CF)	
	Mary Williams for 87th District					
2015	Assembly	\$ 803.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2013 Calendar Year (CF)	
2015	Friends of Andy Jorgensen	\$ 250.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2013 Calendar Year (CF)	
						Committee
2015	Friends of Haqqi	\$ 129.04	Campaign Finance	Incomplete Report /Cash Balance (CF)	2013 Calendar Year (CF)	Terminated
2015	Petrulis for Assembly	\$ 161.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	
2015	Bies for Secretary of State	\$ 123.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	
2015	Kulp for Assembly	\$ 655.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	
2015	John Lehman for Lt. Gov	\$ 538.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	
2015	Burke for Wisconsin	\$ 334.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	
2015	Westphal for Assembly	\$ 210.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	
	La Crosse County Democratic					
2015	Party	\$ 160.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	
2015	IBEW WI State Conference	\$ 185.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	
2015	Friends of Andy Mitchell	\$ 145.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	
						Committee
2015	People for Pat (Bomhack)	\$ 345.45	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	Terminated
2015	Columbia County Republicans	\$ 117.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	
2015	Francis for Assembly	\$ 237.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	
2016	Citizens for Richards	\$ 140.00	Campaign Finance	Incomplete Report /Cash Balance (CF)	2015 Calendar Year (CF)	
2015	Republican Party of Rock Co	\$ 150.00	Campaign Finance	Late CF report (CF)	2015 January Continuing (CF)	
2015	WI Nurses PAC (WIN PAC)	\$ 150.00	Campaign Finance	Late CF report (CF)	2015 January Continuing (CF)	
2015	Fund for Wisconsin's Future	\$ 150.00	Campaign Finance	Late CF report (CF)	2015 January Continuing (CF)	
2015	WI Nurse Midwives	\$ 150.00	Campaign Finance	Late CF report (CF)	2015 January Continuing (CF)	
2015	4th Cong Dist Republican Club	\$ 200.00	Campaign Finance	Late CF report (CF)	2015 July Continuing	

Year	In the matter of	Settlement:	Audit Area	Audit Category	Reporting Period	Penalty Reduced -
2015	Winnebago County Democratic Party	\$ 100.00	Campaign Finance	Late CF report (CF)	2015 July Continuing	
2015	Friends of Brian Barton	\$ 150.00	Campaign Finance	Late CF Report (CF)	2015 Spring Pre-Primary	
2015	United Association Local 118 PAC	\$ 200.00	Campaign Finance	Late Filing Fee (CF)	2015 January Continuing (CF)	
2015	SEIU PEA	\$ 200.00	Campaign Finance	Late Filing Fee (CF)	2015 January Continuing (CF)	
2015	UAW Southeastern WI Area PAC Council	\$ 200.00	Campaign Finance	Late Filing Fee (CF)	2015 January Continuing (CF)	
2015	DLCC Wisconsin PAC	\$ 200.00	Campaign Finance	Late Filing Fee (CF)	2015 January Continuing (CF)	
2015	Sawyer County - Lac Courte Oreilles Democratic Party	\$ 200.00	Campaign Finance	Late Filing Fee (CF)	2015 January Continuing (CF)	
2015	American Coalition for Clean Coal Electricity	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Anheuser-Busch Companies	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Apartment Association of Southeastern Wisconsin, Inc.	\$ 325.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	AstraZeneca Pharmaceuticals	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Bank of America Corporation	\$ 125.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Bicycle Federation of Wisconsin Center for Organizational Research and Education	\$ 225.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Dean Health System Inc	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Friends of Wisconsin Public Television	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	HealthPort	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Institute for Justice	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Milwaukee Teachers Education Association	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	River Alliance of Wisconsin	\$ 125.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	

Year	In the matter of	Settlement:	Audit Area	Audit Category	Reporting Period	Penalty Reduced -
2015	Sierra Club - John Muir Chapter	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	SSM Health Care of Wisconsin Inc	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	TAPCO (Traffic & Parking Control Co., Inc.)	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	The Alliance	\$ 100.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	The Pew Charitable Trusts	\$ 125.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Thrivent Financial for Lutherans	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Transportation Development Association of Wisconsin (TDA)	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	US Biologic	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Wisconsin Car Rental Alliance	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Wisconsin Chapter of the American Academy of Pediatrics (WIAAP)	\$ 125.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Wisconsin Coroner & Medical Examiner Association	\$ 125.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Wisconsin Institute for Healthy Aging	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Wisconsin Literacy Inc	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Wisconsin Paper Council	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Wisconsin Psychological Association	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Wisconsin Public Radio Association	\$ 25.00	Lobbying	Late 15-Day Report (L)	2015-2016 Session Period 1 (L)	
2015	Wisconsin Education Association Council	\$ 600.00	Lobbying	Late Registration (L)	2015-2016 Session Period 1 (L)	
2015	Wisconsin Community Services, Inc.	\$ 2,600.00	Lobbying	Late Registration (L)	2015-2016 Session Period 1 (L)	

Year	In the matter of	Settlement:	Audit Area	Audit Category	Reporting Period	Penalty Reduced -
2015	Wisconsin Chapter, NECA Inc.	\$ 1,050.00	Lobbying	Late Registration (L)	2015-2016 Session Period 1 (L)	
2015	Milwaukee Chapter, NECA Inc.	\$ 1,050.00	Lobbying	Late Registration (L)	2015-2016 Session Period 1 (L)	
2015	ACEA (Allied Construction Employers Association)	\$ 1,050.00	Lobbying	Late Registration (L)	2015-2016 Session Period 1 (L)	
2015	Milwaukee Charter School Advocates	\$ 480.00	Lobbying	Late Registration (L)	2015-2016 Session Period 1 (L)	
2015	Voces de la Frontera Action, Inc	\$ 100.00	Lobbying	Late SLAE (L)	2015-2016 Session Period 1 (L)	
2015	Wisconsin Rural Schools Alliance	\$ 100.00	Lobbying	Late SLAE (L)	2015-2016 Session Period 1 (L)	
2015	MTM, Inc	\$ 50.00	Lobbying	Late SLAE (L)	2015-2016 Session Period 1 (L)	
2015	St. Croix Chippewa Indians of Wisconsin	\$ 50.00	Lobbying	Late SLAE (L)	2015-2016 Session Period 1 (L)	
2015	John Alberts - Gudex for senate	\$ 300.00	Lobbying	Lobbyist Contributions (L/CF)	2014 Calendar Year (CF)	
2015	Margaret Lewis - FOSW	\$ 100.00	Lobbying	Lobbyist Contributions (L/CF)	2014 Calendar Year (CF)	
2015	George Whitaker - FO Van Wanggard	\$ 100.00	Lobbying	Lobbyist Contributions (L/CF)	2014 Calendar Year (CF)	
2015	Robert Proctor - FO J. Lassa	\$ 565.00	Lobbying	Lobbyist Contributions (L/CF)	2014 Calendar Year (CF)	
2015	Larry Lueck - Gudex for Senate	\$ 500.00	Lobbying	Lobbyist Contributions (L/CF)	2014 Calendar Year (CF)	
2015	Robert Kraig - Friends of M. Barnes	\$ 28.00	Lobbying	Lobbyist Contributions (L/CF)	2014 Calendar Year (CF)	
2015	Denny Caneff - D. Cates for Assembly	\$ 50.00	Lobbying	Lobbyist Contributions (L/CF)	2014 Calendar Year (CF)	
2015	Tim Bartholow - Taxpayers for Marklein	\$ 100.00	Lobbying	Lobbyist Contributions (L/CF)	2014 Calendar Year (CF)	
2015	Scott Foval - FO M. Sargent	\$ 95.00	Lobbying	Lobbyist Contributions (L/CF)	2014 Calendar Year (CF)	
2015	Lynn Morgan - Friends of Mark Miller	\$ 250.00	Lobbying	Lobbyist Contributions (L/CF)	2014 Calendar Year (CF)	
2015	Gableman, Michael - Supreme Court Justice	\$ 50.00	Statement of Economic Interests	Late SEI filing (E)	2015 SEI Filing (E)	

Year	In the matter of	Settlement:	Audit Area	Audit Category	Reporting Period	Penalty Reduced -
	Total	\$ 68,592.74				

Year	In the matter of	Audit Area	Audit Category	Reporting Period	Status Reason	Settlement	Reduced Penalty - Reason
2015	La Crosse County Republican Party	Campaign Finance	Late CF Report (CF)	2015 January Continuing (CF)	Warning		New Treasurer, had entered data into CFIS, but not filed report
2015	Alvarez & Marsal Holdings, LLC PAC	Campaign Finance	Late CF Report (CF)	2015 January Continuing (CF)	Warning		No Activity
2015	Elect Uttke Judge	Campaign Finance	Late CF Report (CF)	2015 Spring Pre-Primary	Warning		Not on Ballot
2015	Seidl For Court Of Appeals	Campaign Finance	Late CF Report (CF)	2015 Spring Pre-Primary	Warning		Not on Ballot
2015	Citizens for Ron Sonderhouse	Campaign Finance	Late CF Report (CF)	2015 Spring Pre-Primary	Warning		Not on Ballot
2015	Friends of Michelle Greendeer-Rave	Campaign Finance	Late CF Report (CF)	2015 Spring Pre-Primary	Warning		Write-in candidate only
2015	Friends of Austin	Campaign Finance	Late CF report (CF)	2015 January Continuing (CF)	Warning		No Activity
2015	SEH Employees - WI PAC	Campaign Finance	Late CF report (CF)	2015 January Continuing (CF)	Warning	\$ -	filed report w/\$370 activity - requesting termination
2015	SEH, Inc	Campaign Finance	Late CF report (CF)	2015 January Continuing (CF)	Warning	\$ -	filed no activity & requested termination
2015	Coalition for American Values Action	Campaign Finance	Late CF report (CF)	2015 January Continuing (CF)	Warning		Not required to be registered
2015	1st District Republican Party of Wisconsin Conduit	Campaign Finance	Late CF report (CF)	2015 January Continuing (CF)	Warning		Filed No Activity
2015	Kris Thelen For Judge	Campaign Finance	Late CF report (CF)	2015 Spring Pre-Primary	Warning		Committee Terminated
	Candice Tlustosch for Circuit Court Judge	Campaign Finance	Late CF report (CF)	2015 Spring Pre-Election	Warning		Not on Ballot
	Committee To Elect Matthew P Mooney Judge	Campaign Finance	Late CF report (CF)	2015 Spring Pre-Election	Warning		Not on Ballot
2015	Richard Barta, Municipal Judge for Dover/Yorkville	Statement of Economic Interests	Late SEI filing (E)	2015 SEI Filing (E)	Warning		Within Grace Period
	Buroker, Susan - Asst Deputy Secretary, DATCAP	Statement of Economic Interests	Late SEI filing (E)	2015 SEI Filing (E)	Warning		Terminated Service with State (SEIs)
2015	Kramer, Bill - Assembly	Statement of Economic Interests	Late SEI filing (E)	2015 SEI Filing (E)	Warning		Terminated Service with State (SEIs)
2015	Severson, Erik - Assembly	Statement of Economic Interests	Late SEI filing (E)	2015 SEI Filing (E)	Warning		Terminated Service with State (SEIs)
2015	Zito, Mollie - Legal Counsel, Office of the Commissioner of Insurance	Statement of Economic Interests	Late SEI filing (E)	2015 SEI Filing (E)	Warning		Terminated Service with State (SEIs)
2015	Polivka for Assembly	Campaign Finance	Termination (CF)		Warning		Committee Terminated
2015	Chris Klein for Assembly	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	Warning		Committee Terminated
2015	Schachtner for Office	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	Warning		Committee Terminated
2015	Elect Alan Kupsik	Campaign Finance	Late CF report (CF)	2015 July Continuing	Warning		No Activity
2015	Laumann for Office	Campaign Finance	Late CF report (CF)	2015 July Continuing	Warning		Committee Terminated

Year	In the matter of	Audit Area	Audit Category	Reporting Period	Status Reason	Settlement Reduced Penalty - Reason
2015	Hariprasad Trivedi Committee to Elect for Governor	Campaign Finance	Late CF report (CF)	2015 July Continuing	Warning	Committee Terminated
2015	Forward Wisconsin Waukesha County Taxpayers Association	Campaign Finance	Late CF report (CF)	2015 July Continuing	Warning	Not required to be registered
2015	Thompkins for Senate	Campaign Finance	Late CF report (CF)	2015 July Continuing	Warning	Filed No Activity
2015	Friends of Shari Hanneman	Campaign Finance	Incomplete Report /Cash Balance (CF)	2014 Calendar Year (CF)	Warning	Filed No Activity Committee Terminated



Wisconsin Ethics Commission

212 East Washington Avenue | Third Floor | P.O. Box 7984 | Madison, WI 53707-7984
(608) 266-8123 | ethics@wi.gov | ethics.wi.gov

DATE: For the August 23, 2016 Meeting
TO: Members, Ethics Commission
FROM: David Buerger, Staff Counsel
SUBJECT: Delegation of Authority to the Administrator

Background

The Commission is required to prescribe categories of civil offenses which the commission will agree to compromise and settle without a formal investigation upon payment of specified amounts by the offender. [Wis. Stat. §19.49\(2\)\(b\)10](#). The Commission may authorize the administrator to compromise and settle such alleged offenses in the name of the commission if the alleged offenses by an offender, in aggregate, do not involve payment of more than \$2,500. *Id.* At its last meeting, the Commission declined to make such an authorization, but indicated the desire to reassess at the next meeting.

Discussion

Civil offenses are not uncommon under the statutes administered by the Commission. There are 2,585 registrants in the Campaign Finance Information System (CFIS), 674 lobbyists and 786 lobbying principals, and over 2,500 officials required to file Statements of Economic Interests. It is common that some of these filers will be delinquent in submitting their required reports. If a required filing is even a single day late, that is an offense for which a penalty can be assessed by the Commission. In 2015, 387 reports (11%) were filed late. Additionally, there are other types of offenses that are commonly identified by staff audits such as prohibited corporate contributions or contributions in excess of the amount permitted.

In April 2016 the Government Accountability Board re-adopted a settlement schedule and policy for settlement offers that reflected the changes of 2015 Act 117. The individual recommended penalties in that schedule are all below the \$2,500 threshold. Delegating the authority to settle offenses as described in the settlement schedule will permit staff to more efficiently handle the more routine violations without taking up a significant amount of the Commission's meeting time deliberating each case.

Recommended Motion

MOTION: Pursuant to [Wis. Stat. § 19.49\(2\)\(b\)10](#), the Ethics Commission delegates the authority to compromise and settle alleged civil offenses as described in the settlement schedule in the name of the commission if the alleged offenses by an offender, in aggregate, do not involve payment of more than \$2,500, to its Administrator.

Wisconsin Ethics Commissioners

J. Mac Davis | David R. Halbrooks | Robert Kinney | Peg Lautenschlager | Katie McCallum | Pat Strachota

Administrator
Brian Bell



Wisconsin Ethics Commission

212 East Washington Avenue | Third Floor | P.O. Box 7984 | Madison, WI 53707-7984
(608) 266-8123 | ethics@wi.gov | ethics.wi.gov

DATE: For the August 23, 2016 Meeting

TO: Members, Ethics Commission

FROM: Brian M. Bell, MPA
Commission Administrator

SUBJECT: Memoranda of Understanding with the Wisconsin Elections Commission

As part of the agency transition plan required by 2015 Wisconsin Act 261 which was prepared by the Department of Administration and approved by the Legislature's Joint Committee on Finance, several Memoranda of Understanding (MOU) between the Elections Commission and the Ethics Commission have been prepared to share certain services and functions at least while the commissions are co-located at 212 E. Washington Avenue location through December 31, 2018. The transition plan directs the two Administrators of the Commissions to enter into the MOUs.

The Staff Counsel and I have met with our counterparts at the Elections Commission and developed the updated MOUs enclosed with this memo. Even though the transition plan does not require Commission approval, we would like the Commissioners to provide affirmative direction on the approval of the MOUs with the Elections Commission.

Enclosed are three different MOUs. The first addresses a data exchange agreement between the two Commissions to enable each to carry out their responsibilities. The second MOU address shared office space within third floor of 212 East Washington Avenue, Madison, Wisconsin, through the duration of the current lease term. The third MOU covers a shared staffing agreement that provides administrative support for the Ethics Commission. A fourth MOU regarding website management and public information officer duties previously presented to the Commission is not included based on staff recommendation and confidence in the ability of existing staff of the Ethics Commission to manage those responsibilities.

Some potential options for the Commission are to provide approval of the MOUs as currently drafted, direct the staff to negotiate specific changes to the MOUs, or direct staff to continue to negotiate on the Commission behalf. The Commissioners could also decide whether they wish to approve the final version of the MOUs, or grant the Administrator permission to sign the MOUs without any further action by the Commission.

Wisconsin Ethics Commissioners

James "Mac" Davis | David R. Halbrooks | Robert Kinney | Peg Lautenschlager | Katie McCallum | Pat Strachota

MEMORANDUM OF UNDERSTANDING BETWEEN
THE WISCONSIN ELECTIONS COMMISSION
AND
THE WISCONSIN ETHICS COMMISSION

DATA EXCHANGE AGREEMENT

I. PARTIES

The parties to this Memorandum of Understanding (hereinafter referred to as “MOU” or “agreement”) are the Wisconsin Elections Commission (hereinafter referred to as “Elections Commission”) and the Wisconsin Ethics Commission (hereinafter referred to as “Ethics Commission”); both are Wisconsin state agencies with effective start dates of June 30, 2016. The Elections Commission and Ethics Commission are the successor agencies of the former Wisconsin Government Accountability Board (hereinafter referred to as “GAB”) and regulate elections, campaign finance, lobbying, and ethics of state public officials.

II. PURPOSE

The purpose of this MOU is to facilitate the sharing of data maintained by both commissions to assist in carrying out each commission’s statutory responsibilities.

III. TERM OF AGREEMENT

This MOU shall remain in effect indefinitely, unless terminated or amended in accordance with the terms contained in Section VI. of this agreement.

IV. SHARED DATA

A. Candidate Data

The Ethics Commission maintains the Campaign Finance Information System (hereinafter referred to as “CFIS”) which tracks all registered candidates for state public office. The Elections Commission maintains the State’s centralized voter registration system and election administration system named WisVote (formerly known as SVRS), which contains a record of every registered voter and candidate who seeks office at each election. Both systems require the tracking of candidates for state public office, but for different purposes.

Candidates for state public office file a campaign registration statement with the Ethics Commission (either on paper, or using CFIS) as it is the filing officer for campaign finance reports. The campaign registration statement is also a required ballot access document – meaning, if a candidate does not file a campaign registration statement with the Ethics Commission by the statutory deadline, the candidate’s name is not certified by the Elections Commission for placement on the ballot. The Elections Commission tracks ballot access for all candidates for state public office using the WisVote system.

Ethics Commission staff are required to conduct audits to ensure that lobbyists have not contributed to elected officeholders except as permitted by state law. Ethics Commission staff also conducts audits to verify that contribution limits have not been exceeded. The data in WisVote is helpful in conducting these audits.

The timely sharing of candidate information between the Elections Commission and Ethics Commission is essential to both commission’s success in carrying out their statutory duties.

B. Statements of Economic Interest Data

The Ethics Commission maintains the Eye on Financial Relationships database which tracks all individuals required to file a Statement of Economic Interests (hereinafter referred to as “SEI”) with the commission. Candidates for state public office are individuals required to file an SEI with the commission. The Elections Commission maintains the State’s centralized voter registration system and election administration system named WisVote (formerly known as SVRS) and tracks whether a candidate has timely filed an SEI with the Ethics Commission.

Candidates for state public office file an SEI with the Ethics Commission as it is the filing officer for the statement under the State Ethics Code. The SEI is also a required ballot access document – meaning, if a candidate does not file an SEI with the Ethics Commission by the statutory deadline, the candidate’s name is not certified by the Elections Commission for placement on the ballot. The Elections Commission tracks ballot access for all candidates for state public office using the WisVote system.

The timely sharing of SEI filing information between the Elections Commission and Ethics Commission is essential to both commission’s success in carrying out their statutory duties.

C. Other Data Identified by the Commissions

In addition to the specific data referenced in subsections A. and B. above, the Elections Commission and Ethics Commission agree to exchange other data identified as necessary by either commission to fulfill their statutory duties.

V. DATA EXCHANGE

The Elections Commission Administrator and Ethics Commission Administrator shall agree to a data exchange method that is minimally disruptive to the day to day operations of each Commission. An electronic method of data sharing, with minimal staff intervention, such as a scheduled interface service, shall be the preferred method of exchanging data if possible.

VI. TERMINATION OR AMENDMENT OF AGREEMENT

- A. Termination: This agreement is effective until terminated by either party with a sixty (60) calendar day advance written notice. The party wishing to terminate this agreement shall provide written notice to the contact specified in Section VII, stating their intent to terminate the agreement.
- B. Amendment: This agreement may be amended by mutual written agreement between the Elections Commission Administrator and the Ethics Commission Administrator. The agency wishing to amend this agreement shall provide sixty (60) calendar days written notice to the other party and provide any proposed amendment language at that time. Any proposed amendments are not effective until signed by the Elections and Ethics Commission Administrators and the original agreement shall continue through any amendment negotiations unless the original agreement is terminated per subsection A. Any signed amendments shall be attached to this MOU and considered part of the original agreement.

VII. AGREEMENT CONTACTS

Elections Commission: The contact person for this agreement within the Elections Commission is Michael Haas, Elections Commission Administrator.

608-266-0136

Michael.Haas@wisconsin.gov

Ethics Commission: The contact person for this agreement within the Ethics Commission is Brian Bell, Ethics Commission Administrator.

608-267-0715

BrianM.Bell@wisconsin.gov

Should either of the contacts for each commission no longer be available to act in that role for this agreement, a new contact shall be determined by the respective commission as soon as practicable and such information shall be communicated to the other commission in writing within 10 days of the change.

VIII. EFFECTIVE DATE

This agreement shall be effective on the date in which the last signature of the authorized representative of the Elections Commission or the Ethics Commission is obtained on the attached Shared Staffing Agreement Signature Page.

DRAFT

MEMORANDUM OF UNDERSTANDING BETWEEN
THE WISCONSIN ELECTIONS COMMISSION
AND
THE WISCONSIN ETHICS COMMISSION
DATA EXCHANGE AGREEMENT

SIGNATURE PAGE

SIGNATURES:

For the Wisconsin Elections Commission

By: _____

Michael Haas, Administrator

Dated this _____ day of _____, 2016

For the Wisconsin Ethics Commission

By: _____

Brian Bell, Administrator

Dated this _____ day of _____, 2016

Effective: Date of last signature above.

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE WISCONSIN ELECTIONS COMMISSION**

AND

THE WISCONSIN ETHICS COMMISSION

SHARED OFFICE SPACE AGREEMENT

I. PARTIES

The parties to this Memorandum of Understanding (hereinafter referred to as “MOU” or “agreement”) are the Wisconsin Elections Commission (hereinafter referred to as “Elections Commission”) and the Wisconsin Ethics Commission (hereinafter referred to as “Ethics Commission”); both are Wisconsin state agencies with effective start dates of June 30, 2016. The Elections Commission and Ethics Commission are the successor agencies of the former Wisconsin Government Accountability Board (hereinafter referred to as “GAB”) and regulate elections, campaign finance, lobbying, and ethics of state public officials.

II. PURPOSE

The State of Wisconsin, Department of Administration (DOA), and HUM West Wilson, LP entered into a lease agreement for office space located at 212 E. Washington Ave., Madison, WI 53703, 3rd Floor (hereinafter referred to as “former GAB office space”) on October 17, 2008. (Attachment A). The current lease agreement expires on December 31, 2018. The current lease agreement allows the Department of Administration to designate which agency or agencies (tenant) occupy the former GAB office space. Each Commission will retain a copy of the current lease agreement, including any amendments to the lease agreement. The Elections Commission and Ethics Commission intend to occupy the former GAB office space until the current lease agreement expires. The purpose of this MOU is to set forth the agreed upon terms and conditions of sharing the former GAB office space for the duration of the lease.

III. TERM OF AGREEMENT

This MOU shall remain in effect until the expiration of the current lease agreement on December 31, 2018, unless the agreement is terminated in accordance with the procedures set forth in Section IX. of this agreement.

IV. COMPLIANCE WITH CURRENT LEASE AGREEMENT

The Elections Commission and Ethics Commission, as designated tenants of the former GAB office space, are subject to the terms and conditions of the current lease agreement, and agree to comply with those terms and conditions.

V. ALLOCATION OF RENT AND OTHER EXPENSES

- A. As the lessee, DOA is responsible for making monthly rent payments to HUM West Wilson, LP in accordance with the schedule contained in the current lease agreement. (See Attachment A, ¶5). As the designated tenants of the former GAB office space, the Elections Commission and Ethics Commission will be invoiced separately by DOA for their allocated share of the total rent. The Elections Commission shall pay 75% of the total rent amount due that is contained in the current lease agreement schedule (See Attachment A, ¶5). The Ethics Commission shall pay 25% of the total rent amount due that is contained in the current lease agreement schedule (See Attachment A, ¶5).
- B. As the lessee, DOA is responsible for the costs of the janitorial services; electrical service costs (lights and outlets) and pro rata shares of the real estate taxes (including any special assessments) for the building. These additional costs are charged to DOA at the end of each calendar year through an “operating expense reconciliation” process which is outlined in the current lease agreement. (See Attachment A, ¶27). As the designated tenants of the former GAB office space, the Elections Commission and Ethics Commission will be invoiced by DOA using the same percentage share as described in the paragraph A. above.
- C. All other costs or charges related to the former GAB office space as a whole shall be paid by each commission in accordance with the same percentage share as described in paragraph A. above.

VI. USE OF OFFICE COMMON AREAS

A. CONFERENCE ROOMS

The Elections Commission and Ethics Commission shall have equal access to the three (3) main conference rooms: Board Room, Large Conference Room, and Small Conference Room. Reservations shall be made using a shared calendar application that both commissions can use to book a conference room for commission business. Reservations of each conference room shall be honored on a ‘first come, first served’ basis.

B. BREAKROOM/KITCHEN

The Elections Commission and Ethics Commission shall have equal access to the breakroom/kitchen area of the former GAB office space and be responsible for keeping it clean. A regular schedule to clean the kitchen appliances (including

refrigerator, freezer, microwaves, sink, counters, and pizza oven) shall be established by a designee of the Elections Commission and Ethics Commission Administrators.

Any costs related to fixing or replacing appliances shall be allocated in accordance with the provisions contained in Section V. C of this agreement.

C. RECEPTION/PUBLIC VIEWING AREA

The Elections Commission and Ethics Commission shall have equal access to the reception/public viewing area of the former GAB office space. The reception counter, waiting area and coat closets shall be shared by both commissions to serve members of the public wishing to visit either commission. The public viewing area and computer equipment located in the public viewing area shall be shared by both commissions to serve members of the public seeking assistance from either commission.

D. RESTROOMS

The Elections Commission and Ethics Commission shall have equal access to the restrooms located in the former GAB office space. Janitorial services to clean and maintain the restrooms shall be paid for in accordance with the terms of the existing lease, and outlined in Section V. B of this agreement.

E. IT STORAGE ROOM

The Elections Commission and Ethics Commission shall have equal access to the IT storage room located in the former GAB office space. Both commissions may store computer equipment, projectors, and other accessories in the IT storage room as space permits.

F. BASEMENT LEVEL STORAGE ROOM

The Elections Commission and Ethics Commission shall have equal access to the basement level storage room in the former GAB office space. Both commissions may store files, equipment, and other items in the basement level storage room as space permits. Access to the basement level storage room shall be managed by the reception staff, and will provide the door key upon request of a staff member from either commission. Each Commission is responsible for monitoring access to the shared basement level storage room, and ensuring the security of confidential files and other documents and equipment stored in that room.

VII. USE OF OFFICE INFRASTRUCTURE

A. OFFICES AND CUBICLES

To the greatest extent possible, employees of the Elections Commission and Ethics Commission shall retain their individual offices and cubicles assigned when working for the Government Accountability Board.

B. PHONES

To the greatest extent possible, employees of the Elections Commission and Ethics Commission shall retain their individual desk phone number assigned when working for the Government Accountability Board. The Elections Commission shall retain the “main line” phone number of (608) 266-8005, the toll free phone of 866-VOTEWIS and the Helpdesk phone number of (608) 261-2028. The Ethics Commission shall retain the phone number of (608) 266-8123.

C. INTERNET ACCESS/E-MAIL ACCOUNTS

The Elections Commission and Ethics Commission shall have equal access to wired and wireless internet connectivity throughout the former GAB office space.

D. SHARED STORAGE DRIVES

The Elections Commission and Ethics Commission shall have equal access to a shared storage drive that will provide access to electronic versions of public documents which are needed for each commission to complete its duties. The shared storage drive may contain historical documents such as GAB Board meeting materials, opinions, guidelines, ballot access documents, and other reports that may be used by both commissions. Access to investigation records, closed session materials for each commission, and other confidential records shall be limited to authorized staff members of each respective commission. Each commission is responsible for setting their own security and access procedures for confidential materials.

E. NETWORKED COPY MACHINES/PRINTERS/FAX MACHINE/SCANNERS

The Elections Commission staff shall have access to the networked IT equipment assigned to the Elections Commission (Elections 02, 03, 04, 05, and 06). The Ethics Commission staff shall have access to the networked IT equipment assigned to the Ethics Commission (Ethics 01, 02). Each commission shall be responsible for the maintenance contract and other costs associated with their assigned equipment.

F. OFFICE SUPPLIES

The Elections Commission shall be responsible for the procurement and storage of office supplies used by Elections Commission staff. The Ethics Commission shall be responsible for the procurement and storage of office supplies used by the Ethics Commission.

G. FILE STORAGE

The Elections Commission and Ethics Commission shall have equal access to onsite file storage using existing file cabinets throughout the former GAB office space. The Elections Commission shall maintain file cabinets containing election related documents. The Ethics Commission shall maintain file cabinets containing ethics, campaign finance, lobbying, and contract sunshine documents. Each Commission is responsible for ensuring security of their confidential files, using locked file drawers, and limiting access only to authorized staff members of each Commission when necessary.

VIII. PARKING SPACE ACCESS

- A. The Elections Commission Administrator and Ethics Commission Administrator shall have a right to rent one (1) on-site parking stall located in the basement level of the building housing the former GAB office space. The terms of the parking space rental shall be in accordance with the current lease agreement.
- B. All other parking space assignments shall be made in good faith by the Administrator of each commission, taking into account current parking spaces rented by employees, length of tenure with the agency or former agency, and other factors as determined by the Administrators.
- C. Each employee with onsite parking access is responsible for direct monthly payments of the applicable parking fee to HUM West Wilson LP (checks payable to 10 West Family).

IX. TERMINATION, AMENDMENT OR RENEWAL OF AGREEMENT

- A. Termination: This agreement is effective until terminated by either party with a sixty (60) calendar day advance written notice. The party wishing to terminate this agreement shall provide written notice to the contact specified in Section X, stating their intent to terminate the agreement.
- B. Amendment: This agreement may be amended by mutual written agreement between the Elections Commission Administrator and the Ethics Commission Administrator. The agency wishing to amend this agreement shall provide sixty (60) calendar days written notice to the other party and provide any proposed amendment language at that time. Any proposed amendments are not effective until signed by the Elections and Ethics Commission Administrators and the original agreement shall continue through any amendment negotiations unless the original agreement is terminated per subsection A. Any signed amendments shall be attached to this MOU and considered part of the original agreement.
- C. Renewal: This agreement may be renewed should the current lease be extended beyond December 31, 2018, and the Elections Commission and Ethics Commission choose to remain in the same former GAB office space. Any renewal of this agreement would require written approval by the Elections Commission Administrator and the Ethics Commission Administrator. If no written agreement to extend this agreement is reached, it expires on December 31, 2018, per Section III. of this agreement.

X. AGREEMENT CONTACTS

Elections Commission: The contact person for this agreement within the Elections Commission is Michael Haas, Elections Commission Administrator.

608-266-0136

Michael.Haas@wisconsin.gov

Ethics Commission: The contact person for this agreement within the Ethics Commission is Brian Bell, Ethics Commission Administrator.

608-267-0715

BrianM.Bell@wisconsin.gov

Should either of the contacts for each commission no longer be available to act in that role for this agreement, a new contact shall be determined by the respective commission as soon as practicable and such information shall be communicated to the other commission in writing within 10 days of the change.

XI. EFFECTIVE DATE

This agreement shall be effective on the date in which the last signature of the authorized representative of the Elections Commission or the Ethics Commission is obtained on the attached Shared Office Space Agreement Signature Page.

MEMORANDUM OF UNDERSTANDING BETWEEN
THE WISCONSIN ELECTIONS COMMISSION
AND
THE WISCONSIN ETHICS COMMISSION
SHARED OFFICE SPACE AGREEMENT

SIGNATURE PAGE

SIGNATURES:

For the Wisconsin Elections Commission

By: _____

Michael Haas, Administrator

Dated this _____ day of _____, 2016

For the Wisconsin Ethics Commission

By: _____

Brian Bell, Administrator

Dated this _____ day of _____, 2016

Effective: Date of last signature above.

MEMORANDUM OF UNDERSTANDING BETWEEN
THE WISCONSIN ELECTIONS COMMISSION
AND
THE WISCONSIN ETHICS COMMISSION
SHARED STAFFING AGREEMENT

I. PARTIES

The parties to this Memorandum of Understanding (hereinafter referred to as “MOU” or “agreement”) are the Wisconsin Elections Commission (hereinafter referred to as “Elections Commission”) and the Wisconsin Ethics Commission (hereinafter referred to as “Ethics Commission”); both are Wisconsin state agencies with effective start dates of June 30, 2016. The Elections Commission and Ethics Commission are the successor agencies of the former Wisconsin Government Accountability Board (hereinafter referred to as “GAB”) and regulate elections, campaign finance, lobbying, and ethics of state public officials.

II. PURPOSE

The purpose of this MOU is to identify the tasks/services and employees that may be shared by both commissions through December 31, 2018. The Elections Commission and Ethics Commission intend to occupy the former GAB office space at 212 E. Washington Ave., Madison, WI, 53703, 3rd Floor, until the current lease agreement for that space expires on December 31, 2018. To reduce duplicated services while the commissions share office space, the Elections Commission and Ethics Commission agree to share the services of several employees to perform tasks/services for both commissions. The shared employees will be employees of the Elections Commission and provide assistance to the Ethics Commission on an as-needed basis. Elections Commission shared staff that are federally funded will track their time spent on Ethics Commission tasks in accordance with this agreement. The Ethics Commission intends to recruit additional staff to perform many, if not all of the shared tasks/services listed in this agreement.

III. TERM OF AGREEMENT

This MOU shall remain in effect until December 31, 2018, unless the agreement is terminated or amended in accordance with the procedures set forth in Section VI. of this agreement.

IV. SHARED EMPLOYEE TASKS AND SERVICES

A. RECEPTION STAFF

The reception staff of the Elections Commission shall be utilized by both commissions. The shared reception staff shall complete the following tasks on behalf of the Ethics Commission (this is not an exhaustive list):

1. Greet the public, elected officials, media and other customers, and assist them or direct them to the appropriate staff member.
2. Answer phone calls received at the reception desk.
3. Receive and sign for packages and other deliveries.
4. Process and sort mail, faxes and inter-departmental mail.
5. Assist in copying and preparing materials for meetings of the Ethics Commission.
6. Assist in making arrangements for official state travel of staff members and commissioners.
7. Assist with outgoing shipping/mailing, copy/fax machine issues, onsite public record inspections and other administrative tasks as assigned by the Ethics Commission Administrator.

The shared staff members include the Office Operations Associates of the Elections Commission assigned to the reception desk. The shared staff members that are federally funded shall track their time spent on Ethics Commission tasks in accordance with the procedures set forth in Section V. of this agreement.

B. HELP DESK STAFF

The Help Desk of the Elections Commission shall be utilized by both commissions. The shared Help Desk staff shall complete the following tasks on behalf of the Ethics Commission (this is not an exhaustive list):

1. HelpDesk call answering and forwarding
2. Desktop support for staff computers
3. LAN/WAN and wireless network support
4. Staff Accounts Domain user credentialing and security administration
5. Exchange, Outlook and Email Administration
6. Service Request submission, monitoring and coordination for DET server services
7. Telecom Management, phones, voicemail and phone line administration
8. Track computer and printer inventories
9. Make recommendations of technical solutions

The shared staff members include all Help Desk staff of the Elections Commission. The shared staff members that are federally funded shall track their time spent on Ethics Commission tasks in accordance with the procedures set forth in Section V. of this agreement.

C. OTHER STAFF

2015 Wisconsin Act 118 required the Secretary of the Department of Administration to submit a plan to the Legislature's Joint Committee on Finance, outlining the transition from the Government Accountability Board to the Elections and Ethics Commissions. This transition plan was submitted and approved by the Legislature as presented. The plan contemplated sharing staff between the two commissions, but no budget line for shared staff was provided to the Ethics Commission to reimburse the Elections Commission for their employee's time spent on Ethics Commission tasks. During the transition planning meetings, it was understood that certain GPR-funded Elections Commission staff members would assist the Ethics Commission.

The Ethics Commission intends to recruit additional staff to perform many, if not all of the shared tasks/services listed in this agreement. In the interim, Elections Commission staff will assist the Ethics Commission in the areas of budget, finance, procurement, and personnel matters.

V. SHARED EMPLOYEE TIME-KEEPING

The Elections Commission employees designated as shared staff members under Section IV. of this agreement and who are federally funded, shall keep bi-weekly timesheets accounting for time spent on Ethics Commission tasks and projects rounded to the nearest ¼ hour. Shared staff members which are federally funded shall also track their time in the State's timekeeping system, attributing their time spent on Ethics Commission tasks when appropriate. The completed, employee-signed timesheet shall be submitted to both the shared employee's supervisor and the Ethics Commission Administrator on a bi-weekly basis for review. Quarterly adjustments to ensure the appropriate commission's budget is charged according to the time spent by the employee may be made if there is an error or disagreement in the amount of time charged by the employee. In the case of a disagreement, the shared employee may be required to provide additional documentation or explanation of the tasks performed to justify the time charged on their timesheet.

Other Elections Commission employees designated as shared staff members under Section IV. of this agreement that are not federally funded are not required to keep bi-weekly timesheets accounting for their time.

VI. TERMINATION OR AMENDMENT OF AGREEMENT

- A. Termination: This agreement is effective until terminated by either party with a sixty (60) calendar day advance written notice. The party wishing to terminate this agreement shall provide written notice to the contact specified in Section VII, stating their intent to terminate the agreement.
- B. Amendment: This agreement may be amended by mutual written agreement between the Elections Commission Administrator and the Ethics Commission Administrator. The agency wishing to amend this agreement shall provide sixty (60) calendar days

written notice to the other party and provide any proposed amendment language at that time. Any proposed amendments are not effective until signed by the Elections and Ethics Commission Administrators and the original agreement shall continue through any amendment negotiations unless the original agreement is terminated per subsection A. Any signed amendments shall be attached to this MOU and considered part of the original agreement.

VII. AGREEMENT CONTACTS

Elections Commission: The contact person for this agreement within the Elections Commission is Michael Haas, Elections Commission Administrator.

608-266-0136

Michael.Haas@wisconsin.gov

Ethics Commission: The contact person for this agreement within the Ethics Commission is Brian Bell, Ethics Commission Administrator.

608-267-0715

BrianM.Bell@wisconsin.gov

Should either of the contacts for each commission no longer be available to act in that role for this agreement, a new contact shall be determined by the respective commission as soon as practicable and such information shall be communicated to the other commission in writing within 10 days of the change.

VIII. EFFECTIVE DATE

This agreement shall be effective on the date in which the last signature of the authorized representative of the Elections Commission or the Ethics Commission is obtained on the attached Shared Staffing Agreement Signature Page.

MEMORANDUM OF UNDERSTANDING BETWEEN
THE WISCONSIN ELECTIONS COMMISSION
AND
THE WISCONSIN ETHICS COMMISSION
SHARED STAFFING AGREEMENT

SIGNATURE PAGE

SIGNATURES:

For the Wisconsin Elections Commission

By: _____

Michael Haas, Administrator

Dated this _____ day of _____, 2016

For the Wisconsin Ethics Commission

By: _____

Brian Bell, Administrator

Dated this _____ day of _____, 2016

Effective: Date of last signature above.



Wisconsin Ethics Commission

212 East Washington Avenue | Third Floor | P.O. Box 7984 | Madison, WI 53707-7984
(608) 266-8123 | ethics@wi.gov | ethics.wi.gov

DATE: For the August 23, 2016 Meeting

TO: Members, Ethics Commission

FROM: Brian M. Bell, MPA
Commission Administrator

SUBJECT: 2017 – 2019 Budget Initiatives

Commission staff continues planning for the 2017-19 Biennial Budget submission, which is due on September 15. This memorandum provides an update on the progress made since the Commission's July 11th meeting regarding budget preparations.

The administrative staff of the Elections Commission continues to work on the completion of base year reconciliation, and calculating full salary and fringe funding under standard budget adjustments.

Each agency is required to include with its budget submission several narrative documents: an agency description, a mission statement, agency goals, performance measures, and an organizational chart. Enclosed with this memo are drafts of each document for the Commissioners' review and feedback. Most of the information is based on the information pertaining to the Commission's responsibilities from the last budget submission of the Government Accountability Board, and the transition plan.

The Commission must also provide summaries by fund source and expenditure type, by program, and by decision item, as well as revenue balance statements, decision item summaries with narratives and issue papers, and Act 201 proposals (zero or five-percent reduction).

The Commissioners may wish to provide staff with feedback and discuss any desired changes to the drafted documents, as well as provide guidance on how to draft the Act 201 proposals. The Commissioners may also wish to discuss whether or not any draft statutory language with the budget request.

Wisconsin Ethics Commissioners

James "Mac" Davis | David R. Halbrooks | Robert Kinney | Peg Lautenschlager | Katie McCallum | Pat Strachota

Administrator
Brian M. Bell, MPA

DIN #4001 – Issue Paper

Funding for Commissioner Per Diems and Meeting Expenses

Request

The Ethics Commission requests \$31,600 in GPR limited term employee and miscellaneous salaries base funding for Commissioner per Diems and meeting related expenses.

Background

Under [WIS. STAT. §15.06\(10\)](#), the Commissioners shall receive for each day they were actually and necessarily engaged in performing their duties a per diem equal to the amount prescribed under [WIS. STAT. §753.075\(3\)\(a\)](#) for reserve judges sitting in circuit court. This includes preparation time for meetings. Commissioners read voluminous materials prepared by staff along with court decisions and litigation filings in preparation for each meeting.

Issue

The Ethics Commission budget for Commissioner per diems is currently \$10,900 annually. With the transition plan from the Government Accountability Board (GAB) to the Elections and Ethics Commissions, the budgeted amount allocated for per diems were divided, and no additional funding was provided. Because each Commission has its own members and meetings, the Commissions cannot continue to share the cost of meetings. This amount only covers meeting expenses for two one-day in person meetings annually, which includes per diems, travel expenses, meal reimbursement and Commission meeting preparations.

The Commission requests for additional funding for Commissioner per diems and Board meeting expenses to reflect the actual cost of conducting Board meetings. The average cost per in-person meeting is \$3,501.36 (all costs outlined in the table below). The average cost per telephonic meeting is \$2,823.86 (per-diems, photocopying, and delivery of materials only).

	Quantity	Cost	Per Diem Cost Per Meeting
Per-Diems ¹	6	\$454.11/day	\$2,724.66
Photocopying materials	28 at 100 avg.	\$39.20	\$39.20
Deliver materials in advance	6	\$10.00/each	\$60.00
Meal reimbursement ²	6	\$10.00	\$60.00
Mileage	1050 (approx.)	\$0.51/mille	\$535.50
Lodging	1	\$82.00	\$82.00
TOTAL COST PER IN-PERSON MEETING			\$3,501.36

Over the past biennium, the Government Accountability Board had been meeting on average at least eight-times per year. The Ethics Commission anticipates holding four scheduled in-person meetings and two telephonic meetings each year, and plans to budget for the possibility of two additional meetings.

¹ Does not include any per Diems for meeting preparation work.

² Based on a lunch meal only. The allowances for breakfast and dinner are \$8 and \$20, respectively.

FY-18 Meetings

# Meetings	Type of Meeting	# Days	# Board Members	Daily Per Diem	Per Diem Costs
6	In-person	1	6	\$454	\$16,344
2	Teleconference	1	6	\$454	\$5,448
FY-18 Total Board Meeting Per Diem					\$21,792

# Meetings	Annual Meeting Expenses	# Days	Meeting Expenses*	FY-18 Total
6	In-person	1	\$777	\$4,662
2	Teleconference	1	\$69	\$138
FY-18 Total Meeting Expenses				\$4,800

* Meeting Expenses include: Board materials (photocopying, mailing); travel expenses, meal reimbursements

FY-19 Meetings

# Meetings	Type of Meeting	# Days	# Board Members	Daily Per Diem	Per Diem Costs
6	In-person	1	6	\$454	\$16,344
2	Teleconference	1	6	\$454	\$5,448
FY-18 Total Board Meeting Per Diem					\$21,792

# Meetings	Annual Meeting Expenses	# Days	Meeting Expenses*	FY-19 Total
6	In-person	1	\$777	\$4,662
2	Teleconference	1	\$69	\$138
FY-19 Total Meeting Expenses				\$4,800

* Meeting Expenses include: Board materials (photocopying, mailing); travel expenses, meal reimbursements

The Commission estimates a need of \$26,592 for per-diems and meeting-related expenditures for an estimated eight meetings each year, or \$53,184 per biennium. With an adjusted base budget of \$21,800, this presents an anticipated need of \$31,384. The FY-18 increase needed for additional meeting expenses is \$15,692 GPR and in FY-19 the increase needed for additional meeting expenses is \$15,692.

DIN #4002 – Issue Paper

Address Ethics Commission Information Technology (IT) Needs

Request

The Ethics Commission requests \$353,600 in supplies and services base funding for continued support of a full-time contract IT resource for the Ethics Commission. This request is based on the current annual cost of a Solution Architect providing support for the commission of \$176,800 applied over the two-year biennium.

Context for Request

The Ethics Commission needs to support the following software applications and infrastructure:

- 1) Campaign Finance System (CFIS)
- 2) Lobbying System (Eye on Lobbying)
- 3) Statement of Economic Interest System (SEI)
- 4) Production and User Acceptance Testing Web Application and Database Servers
- 5) Environments hosted at the state data center as well as hosted through WebHost4Life.

These applications require support for new software enhancements, for troubleshooting issues with the use of the existing applications, and other technical support to assist candidates, committees, treasurers, lobbyists, principals, and state officials in completing their statutory reporting requirements. The Ethics Commission relies on these data driven applications to not only update relevant data but to report activity out of the system in order to provide information to the Legislature, the Office of the Governor, state officials, the media, and the public.

The Ethics Commission uses technology to support the mission of the agency. This allows us to comply with state statutes that require the Ethics Commission to execute many functions in the areas of lobbying, campaign finance, investigations, and ethics. The Ethics Commission is a data driven agency that uses such technology as document management, business intelligence and data mining, web portals, mobile applications, and security support systems.

This budget item will help to maintain the current level of technology support for the Commission while enhancing the opportunity to move into modernizing applications through the use of available technology.

The support the Ethics Commission currently receives is from an in-house contracted resource. This is a Solution Architect that has a wide range of technology capabilities to support many of

the features described above. This resource is currently funded as part of the lobbying modernization project. The primary source of those funds was from increased fees assessed to the lobbying community over two biennia. That statutory fee structure has expired. Wisconsin has also experienced a trend of decreasing lobbying principal registrations and few principals hiring an in-house lobbyist, resulting in significantly lower fee revenue to support the lobbying program. However, the need to maintain IT resources for the Commission continues.

In addition, Ethics Commission partners with the Department of Administration, Division of Enterprise Technology to provide Infrastructure and Project Management services. In the next Biennium, G.A.B. is looking to modernize many of its applications to utilize lower cost technology as well as improve internal processes to reduce administrative costs. The SEI system is in need of such modernization. Right now, substantial hours of staff time are used to process each year's statements. The software that is used by the system is not supported by the vendor as new versions are now available. Similarly, the Commission's complaint tracking system and advice tracking system are other systems which are currently supported through Microsoft Access and need modernization.

Conclusion

The Ethics Commission needs to provide IT supports for its program application. This requires technical staff to support new rules changes, streamlined functionality, and software bug fixes. The former Government Accountability Board was able cover the aggregate IT needs now assumed by the Elections and Ethics Commissions within its budget through shared support and savings from position vacancies. However, to continue to support the Campaign Finance Information System, the Eye on Lobbying website, and update the outdated Statement of Economic Interests data collection and disclosure application, the agency needs the requested funding. Without this funding, the Commission would be unable to continue to provide the technical support for its applications that committees, candidates, treasurers, lobbyists, lobbying principals, state officials, and the public have come to appreciate and expect. The Commission would also be unable to promptly address any technical issues with any of its applications, and would force the Commission to rely on a paper based SEI process requiring significantly more manual staff effort, detracting from their ability to provide other assistance. Therefore, the Ethics Commission requests \$353,600 in supplies and services base funding for continued support of a full-time contract IT resource for the Ethics Commission.

DIN #4003 – Issue Paper

Campaign Finance Information System Maintenance and Support

Request

The Ethics Commission requests \$50,000 annually in supplies and services base funding for continued maintenance and support of the Campaign Finance Information System (CFIS).

Context for Request

In 2008, the Government Accountability Board (GAB) utilized the State of Wisconsin's request for proposals (RFP) process to select a vendor for the design, development, maintenance, and support of a campaign finance information system. PCC Technology Group, LLC (now PCC Technology Group, Inc., herein, PCC) was awarded an initial contract for 2008 through 2012, for \$1,794,006. From 2012 to 2015, the GAB paid PCC \$15,840 per month, or \$190,080 annually for continued maintenance and support.

In 2015, the GAB negotiated the terms of the maintenance and support contract with PCC in order to reduce costs and reflect a lower demand for fixes and enhancements. Under the revised terms, the GAB received limited maintenance to keep up with technology updates and less than 100 billable hours of support for fixes and enhancements, for a reduced cost of \$48,000 annually. Through realizing various cost savings, the GAB was able to fund CFIS maintenance and support from its overall budget.

With the transition from the GAB, the Ethics Commission inherited the terms of that contract.

With the enactment of 2015 Wisconsin Act 117, which essentially overhauled Wisconsin's campaign finance laws, CFIS required substantial modification. In 2016, PCC completed more than 1,000 hours of work to address required changes to CFIS at a cost of \$93,840. However, additional changes to CFIS must still be made to address the all of the changes to chapter 11 of Wisconsin Statutes under Act 117. Committees, candidates, treasurers, and legislators have also already identified several clarifications of Act 117 that may require further legislative change to the statutes, as well as additional modification to CFIS.

Conclusion

To effectively address changes needed in the Campaign Finance Information System to reflect the legislative changes in 2015 Wisconsin Act 117, provide for the ongoing need of maintenance and support, as well as for future required fixes and enhancements, the Ethics Commission is requesting \$50,000 annually in supplies and services base funding for continued maintenance and support of the Campaign Finance Information System (CFIS).

DIN #4004 – Issue Paper

Lobbying Fee Structure Revisions

Request

The Ethics Commission requests revising the lobbying fee structure established under WIS STAT §13.75 in order to address trends of declining revenue, increasing costs, and to ensure that the lobbying program is and remains self-funded and not reliant on general purpose revenue.

Context for Request

The lobbying principal registration, lobbyist license, and lobbyist authorization fees are established in WIS STAT §13.75. Presently the fees are as follows: principal registration, \$375; lobbyist license to represent one principal, \$250, lobbyist license to represent multiple principals, \$400, and authorization fee for each of a principal's lobbyists, \$125. The lobbyist licenses fees were temporarily increased to \$350 for a lobbyist representing a single principal and \$650 for those representing multiple principals for two legislative sessions as a result of 2009 Wisconsin Act 28, in order to support the modernization of the lobbying website. The Government Accountability Board provided substantial improvements in the current form, the *Eye on Lobbying* website (<https://lobbying.wi.gov>).

Program revenue from the lobbying program will enable the Ethics Commission to continue to provide maintenance and support of the *Eye on Lobbying* website; to provide customer service to lobbyist, principals, administrative staff, legislators, and the public who use the website to either provide or obtain information about lobbying efforts in Wisconsin; and to improve training for website users including print materials, online training (live and recorded), and in-person training sessions.

The FY 2015-2017 state budget for the lobbying program provided authorization for \$507,300 in FY 2015, and \$508,600 in FY 2016, for a total of \$1,015,900 over the biennium. In Wisconsin, we conduct lobbying registration, licensing, and authorization based on the legislative session, and not the budget biennium. Over the previous four legislative sessions, the actual fees collected for lobbying have been significantly below the authorization. The tables below summarize the fees paid and the program revenue generated over the previous four legislative sessions. Despite the temporary increase in fee structure and an upward trend in principal registrations and lobbyist authorizations, total revenue continues to trend downward. A smaller percentage of principals are employing an in-house lobbyist and opting to authorize a contract lobbyist. As a result, lobbyists licensed to represent multiple lobbying principals are representing greater number of principals, on average.

Fees Types Paid	Legislative Session			
	2009REG	2011REG	2013REG	2015REG
Principals	783	758	735	766
Lobbyist Authorizations	1,750	1,733	1,559	1696
Single Lobbying License	669	659	553	542
Multiple Lobbying License	140	135	113	116

Fee Type	2009REG	2011REG	2013REG	2015REG
Limited Lobbying Principal Registration Fee	\$0.00	\$0.00	\$580.00	\$300.00
Limited Lobbying to Full Lobbying Principal	\$0.00	\$0.00	\$5,325.00	\$1,775.00
Principal Registration Fee	\$293,625.00	\$284,250.00	\$269,250.00	\$287,250.00
Lobbyist Authorization Fee	\$218,750.00	\$216,625.00	\$198,375.00	\$212,000.00
Lobbyist License (Single Principal)	\$167,250.00	\$230,650.00	\$199,850.00	\$136,750.00
Single to Multiple Principal Lobbying License	\$0.00	\$0.00	\$3,300.00	\$750.00
Lobbyist License (Multiple Principals)	\$56,000.00	\$87,750.00	\$68,250.00	\$44,400.00
FOCUS Subscription - Per Legislative Session	\$0.00	\$0.00	\$0.00	\$8,400.00
TOTAL	\$735,625.00	\$819,275.00	\$744,930.00	\$691,625.00

While program revenues continue to decline, expenditures continue to trend upward due to technology maintenance and supports costs, and greater demand for customer support and training. The Ethics and Accountability Division of the Government Accountability Board conducted 11 webinar training events and 4 in-person training events during the 2015-2016 legislative session, compared to only two in-person training events during the previous session. As all training ventures have been well-attended and well-received by the lobbying community, staff would like to continue offering as many as possible to meet demand.

Proposed New Fee Structure

The Ethics Commission is proposing a permanent increase in the lobbying fees in order to ensure that the lobbying program is and remains self-funded and not reliant on general purpose revenue. The proposal includes returning the lobbyist license fees to the 2009 Wisconsin Act 28 levels; increasing the limited lobbying principal registration fee from \$20 to \$100 per legislative session; and increasing the principal registration fee from \$375 to \$400. The table below summarizes the current and proposed lobbying fees.

Under the proposed fee structure outlined below, the Ethics Commission estimates an increase in program revenue generated of \$178,875 per legislative session, based on the fees collected for

the 2015-2016 legislative session. The total estimated program revenue generated under the proposed fee structure is \$870,500, which is still well below the current biennial budget authorization of \$1,015,900.

Fee Type	Current Fee	Proposed Fee
Limited Lobbying Principal Registration Fee - Per Legislative Session	\$20.00	\$100.00
Principal Registration Fee	\$375.00	\$400.00
Lobbyist Authorization Fee	\$125.00	\$125.00
Lobbyist License (Single Principal)	\$250.00	\$350.00
Lobbyist License (Multiple Principals)	\$400.00	\$650.00
FOCUS Subscription - Per Legislative Session	\$100.00	\$100.00

Conclusion

The Ethics Commission requests revising the lobbying registration and licensing fees as outlined above in order to address trends of declining revenue, increasing costs, and to ensure that the lobbying program is and remains self-funded and not reliant on general purpose revenue.



Wisconsin Ethics Commission

212 East Washington Avenue | Third Floor | P.O. Box 7984 | Madison, WI 53707-7984
(608) 266-8123 | ethics@wi.gov | ethics.wi.gov

DATE: For the August 23, 2016 Meeting

TO: Members, Ethics Commission

FROM: Brian M. Bell, MPA
Commission Administrator

SUBJECT: Ethics Commission Administrator's Report

This memorandum provides a summary of staff accomplishments and information for the Commissioners' awareness.

Commission Administration

Authority of the Administrator

As the acting agency head, the Administrator is delegated by state law and policy various responsibilities for the Commission. Examples of some of these responsibilities include the ability to sign legal documents such as MOUs and contracts and manage the agency's personnel actions. However, the Commission may decide to require the Administrator to obtain approval of the Commission prior to taking specified actions. As an example, the Commission may grant the Administrator purchasing authority up to a specified total amount.

Recommended Motion:

Option One: The Commission affirms the authority granted to the Administrator under State of Wisconsin statutes, administrative code, and policies. The Commission also directs the Administrator to report back to Commission a summary of all substantial actions taken.

Option Two: The Commission affirms the authority granted to the Administrator under State of Wisconsin statutes, administrative code, and policies. However, the Administrator must obtain approval from the Commission prior to taking any of the following specified actions: [insert specific limits, e.g., spending more than X]. The Commission also directs the Administrator to report back to Commission a summary of all substantial actions taken.

Wisconsin Ethics Commissioners

James "Mac" Davis | David R. Halbrooks | Robert Kinney | Peg Lautenschlager | Katie McCallum | Pat Strachota

Report on Implementing Recommendations in Audit Reports 14-14 and 15-13

On August 5, 2016, we received a letter from the State Auditor, following up to a phone conversation regarding the audits completed of the Government Accountability Board, and the Commission's responsibilities to report on implementation. The Legislative Audit Bureau believes that all follow-up actions required of the Ethics Commission from Audit Reports 14-14 and 15-13 are completed. Staff recommends that the Commission still submits a letter to the Legislature stating that we have reviewed the sections of those audit reports applicable to the Ethics Commission; that we have confirmed with the LAB that all follow-up actions are complete; and that we will continue the actions implemented in response to the recommendations in the reports.

Recommended Motion:

The Commission directs staff to draft a letter from the Commissioners to the Legislature stating that the Commission has reviewed the sections of those audit reports applicable to the Ethics Commission; confirmed with the LAB that all follow-up actions are complete; and that the Commission will continue the actions implemented in response to the recommendations in the reports.

Form Renumbering/Wisconsin Ethics Commission Title

Staff will continue to work to scrub unnecessary references to the former Board and update forms and other documents to reflect the Commission's jurisdictional authority.

Commission Websites and Other IT needs

Commission staff continues to work with Elections Commission Public Information Officer, Reid Magney, to update and restructure the former GAB website into two separate websites for the Ethics and Elections Commission. Staff is developing a comprehensive plan to transition Ethics Commission materials into that website.

Staff has also worked with the Division of Enterprise Technology, Department of Administration to explore solutions that leverage available technologies and services, while also reducing costs

Shared Network Drive Restructuring

Commission staff has begun dividing formerly shared data and materials into a single space accessible only by Commissioners and Commission staff. Staff will gradually move active documents and programs into the updated H: Drive, with the intention of simplifying the file structure. Separation of the new Ethics Commission folders will allow us to archive the entire contents of the previous Ethics Division drive once 6 years have passed.

Campaign Finance

2016 Partisan Pre-Primary Reports

The Pre-Primary Fall campaign finance report is required to be filed by all candidates on the August 9, 2016, Primary ballot, as well as all PAC, Party, Legislative Campaign Committee, and Independent Expenditure Committees that have made disbursements or contributions to support or oppose a candidate at the fall Primary. Notices were sent by email to all candidates for the August 9, Primary on July 20, 2016. A follow-up reminder was sent by email to all candidates required to file and had not yet filed by 10:30 a.m. on August 1, 2016 (due date of the report). An additional reminder was sent by email to all outstanding candidates at 6:40 p.m. with a copy sent to both state parties and all 4 legislative campaign committees with a list of candidates still outstanding. As of midnight August 1, 2016, there were 4 committees that had not filed. One committee filed at 12:04 a.m., 8/2/16, which I did not include in this count as they would have been completing the submission/authorization at midnight.

2016 July Continuing Reports

The July Continuing report is required to be filed by all committees that have not claimed an exemption from filing campaign finance reports (under \$2,000 per year). There were 1,171 committees required to file a July Continuing 2016 campaign finance report by July 15, 2016. Notices were sent by email to all committees on June 21, 2016, with a reminder on July 19 to those that had not filed. A final notice to avoid penalties was sent August 10, 2016. Prior to the August 10, notice there were 1,061 committees filed (905 filed by 7/15/16), and 110 committees still outstanding. Staff will continue to work with committees to file the outstanding reports and report back to the Commission with the committees that are subject to penalties for late filing or failure to file.

Campaign Finance Information System (CFIS) Testing Protocols

2015 Wisconsin Act 117 made numerous changes to the campaign finance laws that have required extensive updates to our Campaign Finance website (<https://cfis.wi.gov/>). Staff has notified the vendor of many of these changes, and continues to identify items needing updates as well as areas that could be changed to enhance the performance of the system for users. As the vendor releases new updates, staff tests the updates prior to posting the updates to the website.

CFIS Maintenance and Support Contract

The last contract for maintenance and support of the Campaign Finance Information System expired at the end of the last fiscal year, June 30. The contract was with PCC Technology, Inc., which was awarded the initial contract following a 2007 Request for Proposals. They developed CFIS using proprietary software.

In order to execute a new contract to ensure continued maintenance, support, and to finish implementation of required changes under 2015 Wisconsin Acts 117 and 118, we must follow the State of Wisconsin procurement laws and policies. Because the foreseeable life of the services rendered exceed \$50,000 (the initial contract for development, maintain and support for four years was over \$2.5 million), and because the site is maintained using proprietary software, we must request a sole-source justification waiver from the Office of the Governor. This waiver authorizes procurement outside of the normal bidding process. This is common in cases involving proprietary software. If we receive the waiver, we can then continue negotiating the terms of a new contract with the vendor.

Code of Ethics / Statements of Economic Interest / Financial Disclosure

Statements of Economic Interests

The annual filing of SEIs for state officials was due May 2, 2016. All but one of over 2,400 officials has filed – the one remaining official will be discussed in closed session. Data entry of the SEIs has been completed, so the system is ready to generate pre-filled forms for next year.

On a regular basis, staff continues to process SEIs for newly nominated and appointed officials, and responds to requests to view statements.

Design of a new SEI system

Staff has drafted business rules and begun design of a new web-based SEI system. The first goal will be to replace the previous paper reports, and allow state public officials to enter their interests directly, instead of requiring staff to do data entry. Future phases will allow for reporting of Investment Board Quarterly Reports, requests to view SEIs, and public posting of the data currently on the Eye on Financial Interests website.

State of Wisconsin Investment Board Quarterly Reports, April-June 2016

SWIB Quarterly reports covering April 1 to June 30th were due by August 1st. All reports have been received, and copies have been delivered to the Legislative Audit Bureau.

Lobbying

Legislative Liaison Reports, January-June 2016

State Agency Legislative Liaison reports covering January 1st to June 30th were due by August 1st. 80 of 97 reports were received on time. Staff continues to follow up with agencies that have not yet filed.

Administrative Rules

ETH 6 & ETH 21

Scope statements were submitted on June 3, 2016 for both ETH 6 & ETH 21. Those scope statements were approved by the Governor's Office on August 5, 2016. Staff forwarded both scope statements to the LRB for publishing in the Administrative Register on August 8, 2016. The scope statements were published on August 15, 2016. Scope statements must be published for a minimum of 10 days prior to the Ethics Commission taking further action to order promulgation of the rules.



Wisconsin Ethics Commission

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(608) 266-8123 | ethics@wi.gov | ethics.wi.gov

DATE: For the August 23, 2016 Meeting

TO: Members, Ethics Commission

FROM: Brian M. Bell, MPA
Commission Administrator

SUBJECT: Proposed 2017 Ethics Commission Meeting Schedule

At its July 11, 2016 meeting, the Commission directed staff to draft proposed meeting dates for the 2017 calendar year. In 2017 staff anticipates a moderate level of matters that may require some action by the Commission. There will be the continuing campaign finance filings, annual filings of Statements of Economic Interests (SEIs), and semi-annual lobbying filings. Spring elections will include a Justice of the Supreme Court race, as well as court of appeals and circuit court judges. There are no elections scheduled for the fall. In order to promptly address potential complaints and audits staff recommends the following 2017 meeting schedule:

- Wednesday, March 8, 2017 at 9:00 a.m.
- Wednesday, June 7, 2017 at 9:00 a.m.
- Wednesday, September 6, 2017 at 9:00 a.m.
- Wednesday, December 6, 2017 at 9:00 a.m.

This schedule or one that moves the dates within a few days in either direction should provide the Commission with the ability to respond to matters promptly, as well as allow staff adequate time to prepare meeting materials, conduct audits, and necessary research. The Commission could also at any time, with sufficient public notice, schedule additional meetings as required, either in-person or by teleconference.

Recommended Motion: The Commission adopts the proposed 2017 meeting schedule outlined in this memorandum.

Alternative Motion: The Commission adopts an amended version of the 2017 meeting schedule outlined in this memorandum (specified by separate motion).

Wisconsin Ethics Commissioners

James “Mac” Davis | David R. Halbrooks | Robert Kinney | Peg Lautenschlager | Katie McCallum | Pat Strachota

Administrator
Brian M. Bell, MPA

NOTICE OF OPEN AND CLOSED MEETING

Wisconsin Ethics Commission

212 East Washington Avenue, Third Floor Board Room
Madison, Wisconsin
Tuesday, October 18, 2016
9:00 a.m.

Open Session Agenda

- A. Call to Order
- B. Report of Appropriate Meeting Notice
- C. Personal Appearances
- D. Minutes of August 23, 2016 Meeting
- E. Legislative Agenda
- F. LAB Audit Compliance Reporting
- G. Statement of Economic Interests (SEI) System Development
- H. Advisory Opinion Presentation
- I. Guideline Review and Updates
- J. Administrator's Report
- K. Closed Session
 - 19.50 & 19.55(3) No employee of the Commission may disclose information related to an investigation or prosecution under ch. 11, subchapter III of ch. 13, or ch. 19.
 - 19.85(1)(c) Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.
 - 19.85(1)(h) The Commission's deliberations on requests for advice under the ethics code, lobbying law, and campaign finance law shall be in closed session.
- L. Adjourn