



# 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 October 10, 2016 Commission Meeting

**TO:** Members, Wisconsin Ethics Commission

**FROM:** Molly Nagappala, Ethics Commission Staff

**SUBJECT:** Lobbying Program Audit Schedule

## I. Introduction

Following the implementation of the Eye on Lobbying Database in 2012, Government Accountability Board staff developed procedures for regular audits of common campaign finance violations and lobbying activity. Those procedures were updated on a regular basis based on court decisions and legislative changes. Staff seeks to update and clarify these procedures for future audit activity. Staff is seeking comments, clarifications, and recommendations on the future handling of audits under the Commission's jurisdiction.

## II. Late Statements of Lobbying Activities and Expenditures (SLAEs) Audit

### ***13.68 Principal's expense statement.***

*(1) STATEMENT. Every principal which is registered under s. 13.64 shall, on or before July 31 and January 31, file with the commission an expense statement covering the preceding reporting period. The statement shall be signed, under the penalty for making false statements provided in s. 13.69 (6m), by an individual identified under s. 13.64 (1) (e) who is authorized to represent the principal. The statement shall contain the following information...*

Past practice, on advice of staff counsel, was to extend the deadline to the next business day if it happened to fall on a holiday or weekend. Staff conducts an audit to ascertain which principals do not meet the deadline.

**Conducted: every February and August, following each reporting deadline**

## III. Late 15-Day Reporting Audit

### ***13.67 Identification of legislative and administrative proposals and topics.***

*(1) Except as authorized under s. 13.621, no person may engage in lobbying as a lobbyist on behalf of a principal and no principal may authorize a lobbyist to engage in lobbying on its behalf unless the principal reports to the commission, in such manner as the commission may prescribe, each legislative proposal, budget bill subject and proposed administrative*

*Wisconsin Ethics Commissioners*

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

---

*Administrator*  
Brian M. Bell, MPA

*rule number in connection with which the principal has made or intends to make a lobbying communication or, if the lobbying does not relate to a legislative proposal or proposed administrative rule that has been numbered or a budget bill subject, each topic of a lobbying communication made or intended to be made by the principal. A principal shall describe any topic of a lobbying communication with reasonable specificity, sufficient to identify the subject matter of the lobbying communication and whether the communication is an attempt to influence legislative or administrative action, or both. The principal shall file the report no later than the end of the 15th day after the date on which the principal makes a lobbying communication with respect to a legislative proposal, proposed administrative rule, budget bill subject or other topic not previously reported by the principal under this section during the biennial period for which the principal is registered. The report shall be made by a person who is identified by the principal under s. [13.64 \(1\) \(e\)](#).*

The Commission does not have the available resources to conduct audits of each lobbying principal and lobbyist's internal records. Staff audits for 15-day reports submitted after an SLAE deadline, which can be determined with certainty as being late. The Commission would also investigate any formal complaints related to late reporting.

**Conducted: every February and August, following each reporting deadline**

#### **IV. "Hours, No Dollars" Audit**

After every SLAE filing period, staff discovers a small handful of principals who report a certain number of hours spent on lobbying, but do not report a corresponding dollar amount of lobbying-related expenditures. Sometimes this is due to human error on the part of the filer; sometimes a lobbyist has agreed to do some work pro bono; sometimes there is another explanation. Commission IT assists in finding this small group after every SLAE deadline for staff to informally investigate.

**Conducted: every February and August, following each reporting deadline**

#### **V. Limited Lobbying Audit**

Between 10 and 20 organizations pay a \$20 fee to register with the Commission each legislative session as *limited lobbying* principals, meaning that they intend to spend less than \$500 in a calendar year on lobbying-related activities. Such groups are often very small nonprofits, or are occasionally large multinational companies who anticipate having only an extremely minimal lobbying presence in Wisconsin. After the July – December reports are filed each year, staff examine the two reports of the previous year for each limited lobbying principal to ensure that the \$500 limit was not exceeded. In the event that a limited lobbying principal spends more than \$500 in a calendar year on lobbying-related activities, they are required to complete full lobbying registration and pay the appropriate fees.

**Conducted: every February, following each reporting deadline**