
2006 Wis Eth Bd 09
LOBBYING

The Ethics Board advises that consistent with the statutes that the Ethics Board administers:

1. As long as a business that employs a lobbyist accords the privilege of serving clients on its premises and using its facilities to all members of a legislator's profession living in the area of the business, and the legislator remains a member of that profession, the business may continue to extend that privilege to the legislator.
2. For a lobbying principal's sibling corporation, the members of whose board of directors are identical to the principal's board of directors, to furnish salary, compensation, or payment to a legislator, these two conditions must be present:
 - a. Any salary, compensation, or payment that a sibling corporation provides or arranges for the legislator is independent of any services he provides for, at the behest of, or for the benefit of the lobbying principal.
 - b. The principal's sibling corporation must arrive at its decisions about whether to employ the legislator, and to determine his salary and compensation, and the nature, scope and hours of his employment, independent of the principal. As long as both organizations are under the direction and control of boards of directors comprising the same people, the Ethics Board thinks it likely that as a matter of law, the sibling corporation cannot meet this condition.

Facts

- ¶1 This opinion is based upon these understandings:
- a. You write on behalf of Corporation A.
 - b. Corporation A is a registered lobbying principal in Wisconsin.
 - c. Corporation A currently employs a legislator.
 - d. Corporation B is a sibling corporation to Corporation A, both businesses organized as subsidiaries of Corporation C.

Questions

¶2 The Ethics Board understands your question to be:

Consistent with Wisconsin's lobbying law, may Corporation B furnish salary, compensation, or payment to a legislator while Corporation A simultaneously pays a lobbyist to try to influence the actions of Wisconsin's legislators?

Discussion

¶3 Wisconsin's lobbying law forbids an organization employing a lobbyist to furnish anything of pecuniary value to an elected state official and prohibits an official to accept anything of pecuniary value from a lobbying principal. §13.625 (2) and (3), *Wisconsin Statutes*. The prohibition includes providing compensation to an official for services rendered. 80 Op. Att'y Gen. 205 (1992). The law's purpose is to draw a clear line barring private economic transactions between state officials and businesses and organizations that pay lobbyists to influence those same officials. 2003 Wis Eth Bd 02, ¶ 5.

¶4 The statute does not limit a legislator's provision of services to his clients at Corporation A's premises, but it does prohibit Corporation A, while it employs a lobbyist, to pay the legislator, even for services that he provides.

¶5 You have asked whether the lobbying law would forbid Corporation B's employment of the legislator. Although Corporation B does not employ a lobbyist, both Corporation B and Corporation A are subsidiaries of Corporation C, the boards of directors of each of the three organizations comprising the same individuals.

Advice

¶6 The Ethics Board advises that consistent with the statutes that the Ethics Board administers:

1. As long as a business that employs a lobbyist accords the privilege of serving clients on its premises and using its facilities to all members of the legislator's profession living in the area of the business, and the legislator remains a member of that profession, Corporation A may continue to extend that privilege to the legislator.¹
2. For Corporation B to furnish salary, compensation, or payment to the legislator, while Corporation A employs a lobbyist, these two conditions must be present:

¹ See §13.625 (2), *Wisconsin Statutes*, which authorizes a lobbying principal to provide government officials with anything of pecuniary value that it makes available to the general public.

- a. Any salary, compensation, or payment that Corporation B provides or arranges for the legislator is independent of any services he provides for, at the behest of, or for the benefit of Corporation A.²
- b. Corporation B must arrive at its decisions about whether to employ the legislator, and to determine his salary and compensation, and the nature, scope and hours of his employment, independent of the principal.³ As long as both organizations are under the direction and control of boards of directors comprising the same people, the Ethics Board thinks it likely that as a matter of law, Corporation B cannot meet this condition.⁴

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² If an official's work is for the benefit of a lobbying organization, and the lobbying organization determines what, if any, work it wants performed, then the principal is responsible for the official's receipt of remuneration, even if another entity actually pays the official. 2006 Wis Eth Bd 08; 2006 Wis Eth Bd 07.

³ 1994 Wis Eth Bd 9.

⁴ 1994 Wis Eth Bd 9.