

Wisconsin Ethics Commission

212 East Washington Avenue, Third Floor Board Room
Madison, Wisconsin
Tuesday August 22, 2017, 9:00 a.m.

Open Session Agenda

- A. Call to Order
- B. Report of Appropriate Meeting Notice
- C. Minutes of June 7, 2017 Meeting Page 3
- D. Personal Appearances
- E. Request for Advice RA-2017-2 Response – Opinion or Letter Page 9
- F. Administrative Rules Page 15
- G. Proposed Updates to Records Disposition Authorizations Page 21
- H. Agency Annual Report – Fiscal Year 2017 Page 23
- I. Potential Meeting Dates for Calendar Year 2018 Page 89
- J. Staff Report Page 91
- K. Consideration of Future Agenda Items
- L. Closed Session
 - 1. Requests for Advice
 - 2. Complaints and Investigations
 - 3. Litigation Update
- M. Adjourn

The Ethics Commission will convene in open session but may move to closed session under WIS. STAT. § 19.85(1)(c), (g), and (h). 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).

WIS. STAT. §§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.

WIS. STAT. §19.85(1)(g) Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.

WIS. STAT. §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.



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

Wisconsin Ethics Commission

Board Room
212 E. Washington Avenue
Madison, Wisconsin
June 7, 2017
9:00 a.m.

Open Session Minutes

Present: David Halbrooks, Katie McCallum, Mac Davis, Pat Strachota,
Timothy Van Akkeren, and Jeralyn Wendelberger

Staff present: Brian Bell, David Buerger, Richard Bohringer, David Divine, Adam Harvell,
Julie Nischik, Colette Reinke, and Caroline Russell

A. Call to Order

Commission Vice Chair Katie McCallum called the meeting to order at 9:04 a.m.

B. Report of Appropriate Meeting Notice

Administrator Brian Bell reported that appropriate notice of the Commission meeting had been given to the public and news media.

C. Introduction of New Staff Members

Administrator Bell introduced the newest Commissioner, Jeralyn Wendelberger, as well as the three newest Commission staff, David Divine, Caroline Russell, and Colette Reinke.

D. Commission Policy on Succession of the Chair

Staff Counsel Buerger presented the memo starting on page 3 of the meeting materials.

MOTION: The Commission's internal rule is to fill vacancies as follows: Successor shall be selected from the same party of the Commissioner who left the post. Moved by Commissioner Davis, seconded by Commissioner Strachota. Motion carried unanimously.

Wisconsin Ethics Commissioners

Mac Davis | David R. Halbrooks | Katie McCallum | Pat Strachota | Timothy Van Akkeren | Jeralyn Wendelberger

MOTION: Nominate Commissioner Halbrooks for Chair. Moved by Commissioner Davis, seconded by Commissioner Strachota. Motion carried unanimously.

E. Minutes of the March 7, 2017 Meeting

MOTION: Approve the minutes. Moved by Commissioner Strachota, seconded by Commissioner Van Akkeren. Motion carried unanimously.

F. Personal Appearances

There was one personal appearance by members of the public:

Jodi Jensen appeared regarding a follow up letter sent in regards to requested advisory opinion on registration thresholds applicable to section 527 organizations and non-resident PACs, the applicability of contribution limits to each, and the applicability of source restrictions to each. The letter is provided in the supplemental meeting materials.

Discussion with Jodi Jensen.

No action was taken.

G. Administrative Rules Update – ETH Chapters 6, 21, 25, and 26

Staff Counsel Buerger presented the memo starting on page 11 of the meeting materials.

Discussion of suggested changes from the Legislative Reference Bureau.

In regards to ETH Chapter 6, no public appearances, no further comments

MOTION: Approve changes to ETH Chapter 6. Moved by Commissioner Strachota, seconded by Commissioner Wendelberger. Motion carried unanimously.

In regards to ETH Chapter 21, no public appearances, no further comments

MOTION: Approve changes to ETH Chapter 21. Moved by Commissioner McCallum, seconded by Commissioner Van Akkeren. Motion carried unanimously.

In regards to ETH Chapter 25, no public appearances, no further comments

MOTION: Approve changes to ETH Chapter 25. Moved by Commissioner Wendelberger, seconded by Commissioner Van Akkeren. Motion carried unanimously.

In regards to ETH Chapter 26, no public appearances, no further comments

MOTION: Approve changes to ETH Chapter 26 with clarification of item k. in the supplemental materials that the settlement begins on day 16. Moved by Commissioner McCallum, seconded by Commissioner Van Akkeren. Motion carried unanimously.

H. RA-2017-2 Response

Staff Counsel Buerger presented the memo in the supplemental meeting materials.

Discussion.

The Commission requested Staff Counsel Buerger draft an informal opinion on source restrictions (item 4), to include a memo, the draft informal opinion, and letter for the August 22, 2017 meeting.

MOTION: Approve draft informal opinion with respect to sections 1, 2, and 3, and excise section 4. Moved by Commissioner Davis, seconded by Commissioner Van Akkeren. Motion carried unanimously.

I. Complaint Process Overview Documents

Administrator Bell presented the memo starting on page 59 of the meeting materials.

Discussion.

No action taken.

J. Internal Policies

Administrator Bell presented the memo starting on page 61 of the meeting materials.

1. Public Records Notice and Policy

Administrator Bell presented the memo starting on page 63 of the meeting materials.

Discussion.

No action taken.

2. Internal Staff Policies

Administrator Bell presented the memo starting on page 65 of the meeting materials.

Discussion.

No action taken.

K. Agency Office Space Request

Administrator Bell presented the memo starting on page 69 of the meeting materials.

Discussion.

No action taken.

L. Updated Shared Staffing MOU with Elections Commission

Administrator Bell presented the memo starting on page 77 of the meeting materials.

No action taken.

M. Verbal Update on the 2017 – 2019 Biennial Budget Process

Administrator Bell verbally presented information relating to the Joint Committee on Finance meeting to discuss the 2017 – 2019 Biennial Budget.

Discussion.

No action taken.

N. Agency Operating Budget Update

Ethics Commission staff Julie Nischik presented the memo starting on page 83 of the meeting materials.

Discussion.

No action taken.

O. Administrator's Report

Administrator Bell presented the memo starting on page 87 of the meeting materials.

Discussion.

No action taken.

P. Consideration of Future Agenda Items

Administrator Bell suggested including a draft of the 2016 – 2017 Annual Report at the next Commission meeting, as the report is due by October 15, 2017.

Administrator Bell suggested including scope statements for the remaining Administrative Rules the Commission needs to revise, ETH Chapter 1, 15, and 16.

Q. Closed Session

MOTION: The Commission went into closed session pursuant to WIS. STAT. §§ 19.50, 19.55(3), 19.85(1)(g), (h). Moved by Commissioner McCallum, seconded by Commissioner Strachota. Motion carried unanimously.

R. Adjourn

MOTION: To adjourn. Moved by Commissioner Strachota, seconded by Commissioner Van Akkeren. Motion carried unanimously.

The Commission adjourned at 5:04 p.m.

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June 7, 2017 Wisconsin Ethics Commission meeting minutes prepared by:

Julie Nischik, Office Management Specialist

August 22, 2017

June 7, 2017 Wisconsin Ethics Commission meeting minutes certified by:

Katie McCallum, Vice Chair

August 22, 2017



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 22, 2017 Commission Meeting

TO: Members, Wisconsin Ethics Commission

FROM: David Buerger, Staff Counsel

SUBJECT: Request for Advisory Opinion – Applicability of Source Restrictions to Section 527 Organizations and Nonresident PACs

I. Background

Staff received a request for an advisory opinion from Attorney Mike Wittenwyler on February 1, 2017. In his request, Mr. Wittenwyler asked the Commission to confirm four conclusions of law:

1. A section 527 organization or nonresident PAC is required to register as a committee in Wisconsin only if it meets the applicable chapter 11 thresholds;
2. If required to register as a Wisconsin committee, a section 527 organization or nonresident PAC must abide by the Wisconsin law source restrictions and contribution limits applicable to that committee;
3. If not required to register as a Wisconsin committee, a section 527 organization or nonresident PAC must abide the Wisconsin law contribution limits applicable to “other persons;” and,
4. If not required to register as a Wisconsin committee, Wisconsin law source restrictions do not apply to the donations to a section 527 organization or nonresident PAC.

The Commission initially reviewed Mr. Wittenwyler’s request at its March 7 meeting and adopted a motion agreeing with the first three conclusions of law and directing staff to draft an opinion for review at its next meeting. The Commission declined to opine on the fourth conclusion and instead adopted a motion to refer the question of the applicability of source restrictions to 527 organizations and nonresident PACs to the respective Senate and Assembly oversight committees. This referral letter was sent to the standing campaign finance oversight committees on March 14, 2017.

At its June 7 meeting, staff presented a revised opinion that agreed with the first three conclusions of law. The Commission excised some language in the draft opinion as related

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to the question of source restrictions, but otherwise adopted the draft as its informal opinion as to the first three conclusions. The Commission further directed staff at the June meeting to prepare a memo for this meeting to further analyze the issue of the applicability of source restrictions and also prepare two documents for possible action: (1) a draft informal opinion stating that the law is silent as to the applicability of source restrictions to Section 527 organizations and nonresident PACs, and in the alternative (2) a letter stating that the Commission declines to offer an opinion as to the applicability of source restrictions to Section 527 organization and nonresident PACs and that the issue has been referred to the Legislature.

Additionally, this question appears to no longer be hypothetical in nature. Recently Commission staff identified a registered Wisconsin PAC that received a significant donation of funds from a 527 organization. The transactions were originally reported as unitemized on the July 2016 and January 2017 continuing reports and had been noted by Commission staff in its audit of unitemized/anonymous contributions. A review of the 527's reports with the IRS shows that the sole contributor to the 527 is an organization that would normally be unable to contribute to the PAC directly due to the prohibitions of [WIS. STAT. § 11.1112](#). While there is no evidence that the organization intended for the donations to the 527 organization to be forwarded on to the PAC, as there is no other source of funds for the 527 it is clear that money from the organization is flowing through the 527 to the PAC and from there onward to other Wisconsin committees.

II. Analysis

2015 Wisconsin Act 117 repealed and replaced Wisconsin's campaign finance law in its entirety. Act 117 created a new category of regulated entities under campaign finance law called "other persons". [WIS. STAT. § 11.1001](#). The original provision required any person, other than a committee, spending \$2,500 or more in the aggregate on express advocacy and required those entities to file reports with the Commission if the express advocacy was made in the 60 days prior to a primary or election. *Id.* However, this new category of other persons was not initially subject to any contribution limits.

Senate Bill 295 (enacted as 2015 Wisconsin Act 261 on March 16, 2016) imposed contribution limits on the amount other persons could contribute to political parties, legislative campaign committees, segregated funds of political parties and legislative campaign committees, and candidate committees. [WIS. STAT. § 11.1101\(4\)](#). In the discussion of the bill on the senate floor, the sponsor of the amendment that imposed contribution limits on other persons stated the intent of the amendment was to "guarantee that everyone is subject to the limits." There was no discussion of source restrictions for the "other persons" category.

Wisconsin's campaign finance law does not currently address the applicability of source restrictions to other persons. The source restriction provision as currently written states:

"No foreign or domestic corporation, no association organized under ch. [185](#) or [193](#), no labor organization, and no federally recognized American Indian Tribe may make

a contribution to a committee, other than an independent expenditure committee or referendum committee, but may make a contribution to a segregated fund as provided under s. [11.1104 \(6\)](#) in amounts not to exceed \$12,000 in the aggregate in a calendar year.” [WIS. STAT. § 11.1112](#).

“Committee” is defined by [WIS. STAT. § 11.0101\(6\)](#) as:

“A candidate committee, legislative campaign committee, political action committee, independent expenditure committee, political party, recall committee, and referendum committee.”

As a Section 527 organization or nonresident PAC is not a committee, the source restriction prohibition would not appear to apply to them unless they were otherwise required to register (i.e., the organization otherwise qualifies as a PAC or IEC). The absence of language addressing Section 527 organizations or nonresident PACs in [WIS. STAT. § 11.1112](#) is expected as these organizations may have no ties to Wisconsin and those sources of funds may be perfectly permissible in their home jurisdiction. However, this is not to say that the types of organizations prohibited from contributing to committees under [WIS. STAT. § 11.1112](#) can intentionally circumvent the source restriction prohibition by donating to a Section 527 organization or nonresident PAC with the understanding that the organization will redirect the donation to a Wisconsin committee.

Wisconsin law prohibits any person from giving funds to another person for the purpose of making a contribution in other than the first person’s name. [WIS. STAT. § 11.1204](#). If an entity otherwise prohibited from contributing to a Wisconsin candidate gave money to a Section 527 or nonresident PAC for the purpose of making a contribution in the name of the Section 527 or nonresident PAC to a Wisconsin candidate, that would be a violation of [WIS. STAT. § 11.1204](#).

III. Commission Determination

The Commission may choose to:

1. Adopt and issue the attached draft advisory opinion, OR
2. Adopt and issue the attached draft letter.

The Commission may also direct staff to offer an opinion that differs from the above consistent with its discussion today.

The Commission may also refuse to offer an opinion and may refer the matter to the Attorney General or the standing legislative oversight committees.

IV. Attachments

1. Draft Advisory Opinion
2. Draft Letter



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

Sent via email only

[Date Approved]

Mike Wittenwyler
Godfrey & Kahn, S.C.
PO Box 2719
Madison, WI 53701

RE: Advisory Opinion Request – Applicability of Source Restrictions to Section 527
Organizations and Nonresident PACs

Dear Atty. Wittenwyler:

On February 1, 2017, you requested an advisory opinion of the Commission pursuant to [WIS. STAT. § 19.46\(2\)](#) regarding the applicability of source restrictions to Section 527 organizations and nonresident PACs. The Wisconsin Ethics Commission met March 7, 2017 and considered your request at a public hearing at which you provided comment, as well as at its June 7, 2017 meeting where Attorney Jodi Jensen provided further comment on your behalf.

It is the opinion of the Commission that Wisconsin law is silent as to the applicability of source restrictions to Section 527 organizations or nonresident PACs who are not otherwise required to register as a Wisconsin committee.

Analysis

If a Section 527 organization or nonresident PAC registers as a PAC in Wisconsin, it is prohibited from accepting contributions from corporations, associations, labor unions, or tribes. [WIS. STAT. § 11.1112](#). If a Section 527 organization or nonresident PAC registers as an independent expenditure committee, no source restrictions apply. *Id.* If a Section 527 organization or nonresident PAC is not required to register in Wisconsin, but chooses to contribute to Wisconsin committees, the law is silent as to whether the Section 527 organization or nonresident PAC can use funds it receives from corporations, associations, labor unions, or tribes to contribute to Wisconsin committees.

Wisconsin's source restriction provision, [WIS. STAT. § 11.1112](#), states:

“No foreign or domestic corporation, no association organized under ch. [185](#) or [193](#), no labor organization, and no federally recognized American Indian Tribe may make a contribution to a committee, other than an independent expenditure committee or referendum committee, but

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Administrator
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may make a contribution to a segregated fund as provided under s. [11.1104 \(6\)](#) in amounts not to exceed \$12,000 in the aggregate in a calendar year.”

“Committee” is defined by [WIS. STAT. § 11.0101\(6\)](#) as:

“A candidate committee, legislative campaign committee, political action committee, independent expenditure committee, political party, recall committee, and referendum committee.”

As a Section 527 organization or nonresident PAC is not a committee, the source restriction prohibition would not appear to apply to them unless they were otherwise required to register (i.e., the organization otherwise qualifies as a PAC or IEC). The absence of language addressing Section 527 organizations or nonresident PACs in [WIS. STAT. § 11.1112](#) is expected as the organizations may have no ties to Wisconsin and those sources of funds may be perfectly permissible in their home jurisdiction. However, this is not to say that the types of organizations prohibited from contributing to committees under [WIS. STAT. § 11.1112](#) can intentionally circumvent the source restriction prohibition by donating to a Section 527 organization or nonresident PAC with the understanding that the organization will redirect the donation to a Wisconsin committee.

Wisconsin law prohibits any person from giving funds to another person for the purpose of making a contribution in other than the first person’s name. [WIS. STAT. § 11.1204](#). If an entity otherwise prohibited from contributing to a Wisconsin committee gave money to a Section 527 or nonresident PAC for the purpose of making a contribution in the name of the Section 527 or nonresident PAC to a Wisconsin committee, that would be a violation of [WIS. STAT. § 11.1204](#). However, if the entity donates to the Section 527 organization or nonresident PAC with no such purpose, Wisconsin law is silent as to whether the recipient can use those funds to contribute to Wisconsin committees.

This letter constitutes an informal opinion of the Ethics Commission. No person acting in good faith upon this opinion is subject to criminal or civil prosecution for so acting if the material facts are as stated in the opinion request and the individual is following the advice provided above. If you have any further questions regarding this opinion or would like further assistance, please contact me at (608) 267-0951 or david.buenger@wisconsin.gov.

Sincerely,



David Buenger
Staff Counsel
Wisconsin Ethics Commission



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

Sent via email only

[Date Approved]

Mike Wittenwyler
Godfrey & Kahn, S.C.
PO Box 2719
Madison, WI 53701

RE: Advisory Opinion Request – Applicability of Source Restrictions to Section 527
Organizations and Nonresident PACs

Dear Atty. Wittenwyler:

On February 1, 2017, you requested an advisory opinion of the Commission pursuant to [WIS. STAT. § 19.46\(2\)](#) regarding the applicability of source restrictions to Section 527 organizations and nonresident PACs. The Wisconsin Ethics Commission met March 7, 2017 and considered your request at a public hearing at which you provided comment. At that meeting, the Commission declined to offer an opinion as to the applicability of source restrictions to Section 527 organizations and nonresident PACs and instead directed staff to refer the issue to the respective Senate and Assembly oversight committees. This referral letter was sent to the standing campaign finance oversight committees on March 14, 2017.

At its June 7, 2017 meeting the Commission again considered this issue when Attorney Jodi Jensen provided further comment on your behalf and requested the Commission reconsider its earlier decision. At its August 22, 2017 meeting, after further deliberation, the Commission again declined to offer an opinion as to your question at this time.

If you have any further questions regarding this matter or would like further assistance, please contact me at (608) 267-0951 or david.buerger@wisconsin.gov.

Sincerely,

A handwritten signature in black ink that reads "David Buerger".

David Buerger
Staff Counsel
Wisconsin Ethics Commission

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DATE: For the August 22, 2017 Commission Meeting

TO: Members, Wisconsin Ethics Commission

FROM: David Buerger, Staff Counsel

SUBJECT: Administrative Rule Update

I. Chapter ETH 6 (Procedure), ETH 21 (Advisory Opinions), ETH 25 (Forms), ETH 26 (Settlement Schedule)

The drafts of ETH 6 & 25 were approved by the Governor's office on July 28. The drafts of ETH 21 & 26 were approved by the Governor's office on August 4. All four draft rules were sent to the Chief Clerks' offices of each house of the Legislature for referral to the appropriate standing committees on August 4. Each committee has 30 days to review the proposed rule, but may extend that review period by an additional 30 days if the committee chair either requests in writing that the agency meet with the committee to review the proposed rule or publishes a notice that the committee will hold a meeting or hearing to review the proposed rule.

II. Chapter ETH 1 (Campaign Finance)

The majority of the current rule is either unenforceable due to various successful legal challenges or is based on the old campaign finance law pre-Act 117. Staff has begun the process of reviewing the current rule to determine the changes necessary to administer the current version of the law, but as of the drafting of this memo, that process is not complete. Furthermore, as the Legislature has expressed some interest in a bill to continue to refine the new campaign finance law, it may be prudent to wait for any follow-on legislation before re-adopting this chapter.

III. Chapter ETH 15 (Statements of Economic Interest)

Staff has reviewed the current rule and determined that while updates may be desirable, the new Statements of Economic Interest system may require further changes to the administrative rule. Staff recommends waiting until the new system has been more fully developed before proceeding to avoid any unnecessary duplication of effort.

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IV. Chapter ETH 16 (Lobbying)

Staff has reviewed the current rule and determined that the rule would benefit from some changes. Staff proposes to clarify the level of detail required to report on a lobbying topic, to remove or amend portions of the rule that are not necessary due to how reporting is handled by the Eye on Lobbying system, and to add a requirement that lobbyists provide the Commission with their home address so that staff can more accurately audit for prohibited contributions. If the Commission would like to proceed with these proposed changes, staff is prepared to submit the attached scope statement for review by the Governor's office.

V. Attachments

A. ETH 16 – Scope Statement

**STATEMENT OF SCOPE
PURSUANT TO WIS. STAT. § 227.135
WISCONSIN ETHICS COMMISSION**

Rule No.: ETH Ch. 16

Relating to: Lobbying

Rule Type: Permanent

1. Detailed description of the objective of the proposed rule:

The Commission proposes to amend ETH 16.03(1) to clarify the level of detail required, repeal ETH 16.03(3) to reflect the current procedure for reporting on administrative action, and create ETH 16.03(4) to incorporate the Commission's new policy that topics of lobbying communications are reported by pre-determined topic categories, similar to how budget bill subjects are reported. The Commission proposes to amend ETH 16.04(1) to only require agency name and scope statement number, and repeal ETH 16.04(2). Finally, the Commission proposes to create ETH 16.05 to require lobbyists provide a residential address when applying for a lobbyist license. This information would be used to audit for prohibited campaign contributions by the lobbyist while so licensed and would not be made available to the public.

2. Description of the existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

The changes to ETH 16.03 are the result of new policy and procedures adopted by the Commission for the reporting of topics under WIS. STAT. § 13.67. The Commission proposes to require lobbying principals to report topics of lobbying communications by a pre-defined list, similar to budget bill subjects, in addition to the current requirements provided in ETH 16.03(1) and (2). Additionally, the Commission proposed repealing ETH 16.03(3). This will make reporting more consistent and easier for the public to follow.

The changes to ETH 16.04 are the result of improvements to the online reporting process which only requires reporting the state agency name and scope statement number. The Ethics Commission has worked with the Legislative Technology Services Bureau (LTSB) to automate providing the Administrative Register number and date, and properly references the online publishing of the register.

The creation of ETH 16.05 is an extension of the Commission's audit plan, which was adopted on October 10, 2016. The lobbyist contribution audit requires Commission staff to identify if the identity of any contributor to a candidate matches the identity of a licensed lobbyist. Contributions are itemized by date, full name, and street address of the contributor. Matching contributors to lobbyists with only a name can sometimes lead to

erroneous matches or make it more difficult for Commission staff to verify when a prohibited contribution has been made.

3. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

The Commission has general authority for the promulgation of rules to carry out the requirements of Subchapter III of Chapter 13.

Wis. Stat. § 19.48(1):

19.48 Duties of the ethics commission. The commission shall:

(1) Promulgate rules necessary to carry out ch. 11, subch. III of ch. 13, and this subchapter.

Wis. Stat. § 227.11(2)(a):

227.11 Extent to which chapter confers rule-making authority.

(2) Rule-making authority is expressly conferred on an agency as follows:

(a) Each agency may promulgate rules interpreting the provisions of any statute enforced or administered by the agency, if the agency considers it necessary to effectuate the purpose of the statute, but a rule is not valid if the rule exceeds the bounds of correct interpretation.

4. Estimate of the amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:

The Commission estimates that it will use approximately 0.05 FTE staff to develop this rule. This includes time required for research, rule drafting, preparing related documents, coordinating stakeholder meetings, holding public hearings, legislative review and adoption, and communicating the final rule with affected persons and groups. The Commission will use existing staff resources to develop this rule.

5. List with description of all entities that may be affected by the proposed rule:

Lobbyists, lobbying principals, and the general public may be affected by the proposed rule.

6. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:

The Wisconsin Ethics Commission is unaware of any existing or proposed federal regulation that is applicable to this rule.

7. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):

The Wisconsin Ethics Commission anticipates the rule having no economic impact. This proposed rule includes no significant economic impact on small businesses.

Contact person: David P. Buerger
david.buerger@wisconsin.gov (608) 267-0951

Brian M. Bell, MPA
Administrator
Wisconsin Ethics Commission

Date Submitted



Wisconsin Ethics Commission

Campaign Finance | Lobbying | Ethics
212 East Washington Avenue | Third Floor | P.O. Box 7984 | Madison, WI 53707-7984
(608) 266-8123 | ethics@wi.gov | <https://ethics.wi.gov>

DATE: For the August 22, 2017 Commission Meeting

TO: Members, Wisconsin Ethics Commission

FROM: Julie Nischik – Office Management Specialist
Brian M. Bell, MPA – Commission Administrator

SUBJECT: Proposed Changes to Records Disposition Authorizations

Background

Staff determined that the existing records management policies should be reviewed and updated in order to minimize the amount of physical space required of the agency to store the records and also support the internal policy of storing records primarily electronically. The Ethics Commission carried over six Records Disposition Authorizations (RDAs) from the GAB, five of which are listed below for potential changes. The sixth RDA is for maintenance of Statements of Economic Interest. The retention of those records is guided by statute, and we are not currently considering any changes to the retention of that type of record.

A Record Disposition Authorization is a schedule that determines how long a record should be kept, as well as what happens to the record at the end of that time period. Commission staff will submit the revised RDAs to the Public Records Board (PRB) by September 8, 2017. The Records Management Committee, which is a sub-committee of the PRB, will review the changes on October 17, 2017, and make suggestions to revise the RDAs prior to review by the PRB. The PRB will then review for approval the proposed updates to the RDAs at a meeting on November 20, 2017.

The retention period for Guidelines, Advisory Opinions, and Investigations has been adjusted to a uniform 6 years after the creation or event as described below. This will cover the three years of civil enforcement authority, and an additional three years to cover criminal enforcement authority. Commission staff has also discussed developing an agency policy of transferring physical records after three years to the State Records Center for the remainder of the retention period. Storage at the Records Center is less expensive than storing physical records in our office space.

The tables on the following page provide a summary of the existing and proposed records retention policies.

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Current RDAs

Staff reviewed the existing RDAs listed below for potential changes.

RDA#	Title	Event	Retention	Disposition
2000	Guidelines	Adoption of new or revised guideline	10 years	Transfer to WI Historical Society
3000	Advisory Opinions	Creation	25 years	Transfer to WI Historical Society
5000	Investigations	Investigation closed	10 years	Transfer to WI Historical Society
14000	Lobbying	End of legislative session	6 years	Transfer to WI Historical Society
22000	Campaign Finance	Creation (reports, registration statements, audit records)	6 years	Transfer to WI Historical Society

Proposed changes to RDAs

Staff proposes the following changes to the RDAs, highlighted in grey.

RDA#	Title	Event	Retention	Disposition
2000	Guidelines	Adoption of new or revised guideline	6 years	Destroy
3000	Advisory Opinions	Withdrawal of opinion. When an Advisory Opinion is created, it is an active record until it has been withdrawn.	6 years	Transfer to WI Historical Society
5000	Investigations	Investigation closed	6 years	Transfer to WI Historical Society
14000	Lobbying	End of legislative session	6 years	Destroy
22000	Campaign Finance	Creation (reports, registration statements, audit records)	6 years	Destroy



State of Wisconsin
Ethics Commission

2017 Annual Agency Report

September 1, 2017

Ethics@wi.gov
<https://ethics.wi.gov>

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Introduction

The Wisconsin Ethics Commission is pleased to submit its annual report to the Governor and the chief clerk of each house of the legislature, in accordance with WIS. STAT. §§ [15.04\(1\)\(d\)](#), [19.47\(5\)](#), and [11.1304\(14\)](#).

This report provides information on the performance and operations of the Commission and projects, goals, and objectives as developed for the agency budget.

This report also includes information required specifically of the Ethics Commission, as well as information provided at the Commission's discretion.

Finally, the report also includes information on matters within the Commission's jurisdiction and recommendations for legislation.

*NOTE: THIS PAGE PROVIDE THE STATUTORY BASIS FOR THE DRAFT
MISSION STATEMENT CHANGES ON THE FOLLOWING PAGE*

Mission

The mission of the Ethics Commission is to promote and strengthen the faith and confidence of the people of Wisconsin in their government, support the operation of open and responsible government, preserve the integrity of the governmental decision-making process, and protect the rights of individuals, ~~enhance representative democracy by furthering Wisconsin's tradition of clean and open government~~ through the administration of Wisconsin's campaign finance, lobbying, and ethics laws, and through ~~the dissemination of information to the public~~ readily available and understandable disclosure of information.

11.0100

This chapter shall be construed to impose the least possible restraint on persons whose activities do not directly affect the elective process, consistent with the **right of the public to have a full, complete, and readily understandable accounting of those activities expressly advocating for or against candidates for office or for or against referendums.** Nothing in this chapter may be construed to regulate issue discussion, debate, or advocacy; grassroots outreach or lobbying; nonpartisan voter registration or turnout efforts; or the rights of the media.

13.61

The legislature declares that the **operation of an open and responsible government** requires that the fullest opportunity be afforded to the people to petition their government for the redress of grievances and to express freely to any officials of the executive or legislative branch their opinions on legislation, on pending administrative rules and other policy decisions by administrative agencies, and on current issues. Essential to the continued functioning of an open government is the **preservation of the integrity of the governmental decision-making process.** In order to preserve and maintain the integrity of the process, the legislature determines that it is necessary to regulate and publicly disclose the identity, expenditures and activities of persons who hire others or are hired to engage in efforts to influence actions of the legislative and executive branches.

19.41(1)

It is declared that high moral and ethical standards among state public officials and state employees are essential to the conduct of free government; that the legislature believes that a code of ethics for the guidance of state public officials and state employees will help them avoid conflicts between their personal interests and their public responsibilities, will improve standards of public service and will **promote and strengthen the faith and confidence of the people of this state in their state public officials** and state employees.

19.41(2)

It is the intent of the legislature that in its operations the commission shall **protect to the fullest extent possible the rights of individuals affected.**

Information Required of All Agencies under [WIS. STAT. § 15.04\(1\)\(d\)](#)

Mission

The mission of the Ethics Commission is to promote and strengthen the faith and confidence of the people of Wisconsin in their government, support the operation of open and responsible government, preserve and the preservation of the integrity of the governmental decision-making process, and protect the rights of individuals ~~enhance representative democracy by furthering Wisconsin's tradition of clean and open government~~ through the administration of Wisconsin's campaign finance, lobbying, and ethics laws, and through ~~the dissemination of information to the public~~ readily available and understandable disclosure of information.

Agency Description

The Commission is comprised of six members, who serve for 5-year terms. One member is appointed by the senate majority leader; one appointed by the senate minority leader; one appointed by the speaker of the assembly; one appointed by the assembly minority leader; and two are individuals who formerly served as judges for a court of record in this state, who were elected to the positions in which they served, and who are nominated by the governor with the advice and consent of a majority of the members of the senate confirmed. A detailed description of the appointment of Commissioners is provided in [WIS. STAT. § 15.62](#). The transition plan from the Government Accountability Board to the Ethics Commission put forth by the Department of Administration established a rotational term schedule of the Commissioners. The Commission elects a chair and vice-chair from its members by a majority vote.

The administrator serves as the agency head, and is responsible for the daily operations of the Commission. The Commission staff is non-partisan, including the administrator. The agency has a staff of 4.55 GPR and 3.45 PR full-time employees. The Commission administers and enforces Wisconsin law pertaining to campaign finance, lobbying, and the Code of Ethics (Wisconsin Chapters 11, campaign finance; Chapter 13 Subchapter III, lobbying; and, Chapter 19 Subchapter III, the code of ethics). The duties of the Ethics Commission are codified in WIS. STAT. §§ [11.1304](#), [13.685](#), and [19.48](#).

Additional information is available on the Ethics Commission's website at <https://ethics.wi.gov> about the Commission, its members and staff, meetings and resources provided to the public.

Commission activities are arranged by five general functions:

1. general administration;
2. assistance to state public officials, candidates, lobbyists, principals, political committees and officeholders;
3. assistance to local governments;
4. education and training; and
5. enforcement

Within these functional areas, the Commission develops policy, issues formal opinions, promulgates administrative rules, prescribes procedures and forms, audits disclosure reports, carries out investigations, conducts hearings and reviews appeals, brings civil actions to assess forfeitures, and related activities.

The Commission has four general program areas which are described below:

Campaign Finance

Wisconsin campaign finance law requires candidates for state public office, political action committees, referenda committees, and independent expenditure committees to register with the Commission, disclose campaign receipts and disbursements, and abide by certain contribution limits and prohibitions. The Commission is responsible for auditing campaign finance reports and enforcing registration and reporting requirements along with limits on the source and amount of campaign funding. Information is available to the public on Commission website: <http://ethics.wi.gov/campaign-finance>, and through <https://cfis.wi.gov>.

Lobbying

Wisconsin lobbying law requires registration of businesses, organizations, and individuals that attempt to influence government decisions. Registrants must identify who lobbies on their behalf, issues in which they have an interest, and provide other information, all available to the public on the Commission website: <https://ethics.wi.gov/Pages/Lobbying/About-Lobbying.aspx>, and <https://lobbying.wi.gov>.

Ethics

The Commission fosters ethical conduct of public officials by advising them about ethics laws and providing information about officials' financial interests to identify any potential conflicts of interest. State public officials file annual Statements of Economic Interests with the Commission, and the trustees and staff of the State of Wisconsin Investment Board file quarterly reports. Information regarding the Commission's ethics-related activities is available to the public on the Commission website: <https://ethics.wi.gov/Pages/Ethics/Ethics.aspx>.

State Purchasing

The Contract Sunshine program is mandated by the Legislature to allow the public to view the process state agencies use to procure goods and services from vendors. Additional information about the program is available on the website:

<https://ethics.wi.gov/Pages/Ethics/ContractSunshine.aspx>.

Statutory Duties of the Ethics Commission and the Agency's Compliance

The table in appendix A outlines the statutory duties of the Wisconsin Ethics Commission, as well as provides a summary of the agency's compliance with those requirements or any unresolved issues related to those duties.

Programs, Goals, Objectives and Activities

Program 1: Ethics, Campaign Finance, and Lobbying Regulation

- ~~A. Goal: Further Wisconsin's tradition of clean and open government.~~
- ~~B. Objective/Activity: Ensure the accessibility of public information regarding campaign finance, lobbying, and ethics reports filed with the Commission, as well as actions taken by the Ethics Commission, by leveraging available technology, creating instructional materials, and providing assistance to candidates, committees, treasurers, lobbyists, principals, state and local officials, and the public.~~

~~6.A. Goal: Facilitate compliance with the requirements of Wisconsin's campaign finance, lobbying, and ethics laws, and ensure reported information is readily accessible to the public.~~

~~A-1. Objective/Activity: Provide training, educational materials, and assistance to the regulated community and the public, focusing on applicable registration and reporting requirements.~~

~~A-2. Objective/Activity: Conduct timely audits of registration and report information, consistent with statutory requirements.~~

~~A-3. Objective/Activity: Provide informal and formal advisory opinions, as well as informal guidance, in a timely manner whenever requested to do so.~~

~~B. Goal: Support the operation of open and responsible government, and preserve the integrity of governmental decision-making, and protect while protecting the rights of individuals.~~

~~B-1. Objective/Activity: Promptly make reported campaign finance, lobbying, and financial disclosure information publicly available.~~

~~B-2. Objective/Activity: Maintain the Wisconsin Campaign Finance Information System (CFIS), Eye On Lobbying website, and Statements of Economic Interests website in order to facilitate the registration and reporting requirements under applicable Wisconsin Statutes, as well as making the disclosure of reported information readily accessible and understandable.~~

~~B-3. Objective/Activity: Investigate complaints of possible violations of the ethics code, lobbying law, and campaign finance law and seek appropriate remedies as circumstances merit.~~

~~provide training materials and assistance to committees, candidates and treasurers; promptly make reported information publicly available; and conduct timely audits of the system in order to ensure compliance with Wisconsin's campaign finance laws.~~

~~Goal: Identify interests influencing legislative activities.~~

~~Objective/Activity: Facilitate the registration and reporting requirements codified in chapter 13, subchapter III of Wisconsin Statutes regarding lobbying principals, lobbyists, and state agency legislative liaisons; provide training materials and assistance to lobbyists, principals, and state agency legislative liaisons; facilitate access to information regarding who is lobbying, the organizations employing lobbyists, the issues on which they are lobbying, as well their activities and expenditures.~~

~~Goal: Provide information to the public on the financial interests of candidates and state officials.~~

~~Objective/Activity: Facilitate and enforce the financial disclosure reporting requirements in chapter 19, subchapter III of Wisconsin statutes, make the information available for public inspection, and notify candidates and state officials of requests for their information.~~

~~Goal: Enforce statutory requirements. This goal fosters the continued high standards of ethical conduct by state government officials, lobbyists, and lobbying organizations through independent investigation and reassures the public that the State of Wisconsin is equipped to redress conduct that falls short of statutorily established standards.~~

~~Objective/Activity: Investigate possible violations of the ethics code, lobbying law, and campaign finance law and seek appropriate remedies or exoneration as circumstances merit.~~

Performance Measures, Goals, and Performance

The Wisconsin Ethics Commission was required to report on goals established by the GAB for fiscal years 2015 and 2016 as a part of its budget request. The table below includes the new performance measures established by the Wisconsin Ethics Commission that will be used beginning with fiscal year 2017 and moving forward. The Commission's next annual report will include actual measured performance relative to these goals.

Performance Measure (by Fiscal Year)	Goal 2017	Actual 2017	Goal 2018	Goal 2019
Fees received by electronic payment methods	50%	28.31% 334/1,180	50%	60%
Campaign finance registrations created/amended electronically	50%	70.24% 609/867	80%	90%
Campaign finance reports filed electronically	50%	74.05% 3,176/4,289	80%	90%
Campaign finance reports filed on/before the required date	99%	86.69% 3,512/4,051	90%	95%
Percentage of committees in compliance, based on audit findings	N/A	92.80% 2,386/2,571	90%	90%
Lobbyist time reports completed on/before the required date	99%	98.57% 3,109/3,154	99%	99%
Principals completing their Statements of Lobbying Activities and Expenditures on/before the required date	99%	94.93% 1,460/1,538	95%	97%
Percentage of principals in compliance, based on audit findings	N/A	98.48% 779/791	99%	99%
Required SEIs filed on or before the required date	99%	95.25% 2,187/2,296	96%	97%

Information the Ethics Commission is required to Report under [WIS. STAT. § 19.47\(5\)](#)

Statutory Duties of the Administrator and Compliance with Each Duty

1. *19.46(2)(a)4. At each regular meeting of the Commission, the Commission administrator shall review informal advisory opinions requested of and issued by the administrator and that relate to recurring issues or issues of first impression for which no formal advisory opinion has been issued.*

The Administrator includes an agenda item for requests for advice on every closed session meeting agenda to present the information required under this provision. The Commission first delegated the authority to Administrator to issue informal advisory opinions at its March 7, 2017 meeting.

2. *19.47(2). The administrator shall appoint such other personnel as he or she requires to carry out the duties of the Commission and may designate an employee of the Commission to serve as legal counsel of the Commission.*

The Administrator has designated the staff attorney to serve as legal counsel of the Commission. The Administrator also makes all other staffing decisions for the Commission.

3. *19.47(2). The administrator shall perform such duties as the Commission assigns to him or her in the administration of ch. 11, subch. III of ch. 13, and this subchapter.*

The Commission has approved the Administrator's position description and can decide to review the Administrator's performance at any time.

4. *19.47(2). Neither the Commission nor any member or employee of the Commission, including the Commission administrator, may file a sworn complaint for purposes of this subsection.*

The Administrator is responsible for reviewing all complaints received by the Commission and does not file complaints, nor accept them from Commissioners or staff.

5. *19.49(2)(b)4. If the Commission authorizes the administrator to investigate any matter without retaining a special investigator, the administrator shall make periodic reports to the Commission, as directed by the Commission, but in no case may the reporting interval exceed 30 days.*

The Commission and the Administrator are aware of this requirement and include it in the Commission's adopted complaints and investigations procedures. The Commission has complied with this requirement when applicable.

6. *19.49(2)(b)4. During the pendency of any investigation, the Commission shall meet for the purpose of reviewing the progress of the investigation at least once every 90 days. The special investigator or the administrator shall report in person to the Commission at that meeting concerning the progress of the investigation.*

The Commission and the Administrator are aware of this requirement and include it in the Commission's adopted complaints and investigations procedures. The Commission has complied with this requirement when applicable.

7. *19.49(2)(b)4. Unless an investigation is terminated by the Commission, at the conclusion of each investigation, the administrator shall present to the Commission one of the following:
 - a. *A recommendation to make a finding that probable cause exists to believe that one or more violations under subd. 1. have occurred or are occurring, together with a recommended course of action.*
 - b. *A recommendation for further investigation of the matter together with facts supporting that course of action.*
 - c. *A recommendation to terminate the investigation due to lack of sufficient evidence to indicate that a violation under subd. 1. has occurred or is occurring.**

The Commission and the Administrator are aware of this requirement and include it in the Commission's adopted complaints and investigations procedures. The Commission has complied with this requirement when applicable.

8. *19.49(2)(b)5.a. If the Commission finds that there is probable cause to believe that a violation under subd. 1. has occurred or is occurring, the Commission may authorize the administrator to file a civil complaint against the alleged violator.*

The Commission and the Administrator are aware of this requirement and include it in the Commission's adopted complaints and investigations procedures. The Commission has complied with this requirement when applicable.

9. *19.49(2)(b)5.a. In such case, the administrator may request the assistance of special counsel to prosecute any action brought by the Commission. If the administrator requests the assistance of special counsel with respect to any matter, the administrator shall submit to the Commission the names of 3 qualified individuals to serve as special counsel. The Commission may retain one of the individuals to act as special counsel.*

The Commission and the Administrator are aware of this requirement and include it in the Commission's adopted complaints and investigations procedures. The Commission has complied with this requirement when applicable.

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 Commission is in the process of promulgating the necessary administrative rule, but has not authorized the Administrator to settle any alleged offenses.

11. 19.49(2)(b)11. If a special investigator or the administrator, in the course of an investigation authorized by the Commission, discovers evidence that a violation under subd. 1. that was not within the scope of the authorized investigation has occurred or is occurring, the special investigator or the administrator may present that evidence to the Commission. If the Commission finds that there is a reasonable suspicion that a violation under subd. 1. that is not within the scope of the authorized investigation has occurred or is occurring, the Commission may authorize the special investigator or the administrator to investigate the alleged violation or may elect to authorize a separate investigation of the alleged violation as provided in subd. 3.

The Commission and the Administrator are aware of this requirement and include it in the Commission's adopted complaints and investigations procedures. The Commission has complied with this requirement when applicable.

12. 19.49(2)(b)12. If a special investigator or the administrator, in the course of an investigation authorized by the Commission, discovers evidence of a potential violation of a law that is not administered by the Commission arising from or in relation to the official functions of the subject of the investigation or any matter that involves campaign finance, ethics, or lobbying regulation, the special investigator or the administrator may present that evidence to the Commission. The Commission may thereupon refer the matter to the appropriate district attorney specified in subd. 9. or may refer the matter to the attorney general. The attorney general may then commence a civil or criminal prosecution relating to the matter.

The Commission and the Administrator are aware of this requirement and include it in the Commission's adopted complaints and investigations procedures. The Commission has complied with this requirement when applicable.

Duties of All Individuals Employed by the Ethics Commission

Staff Counsel

Under the general supervision of the Administrator of the Wisconsin Ethics Commission, this position is responsible for providing legal advice on the application of campaign finance, election administration, ethics, and lobbying laws to the Commission and its staff along with authoritative and timely advice and information to political registrants, state public officials, county and local corporate counsels, district attorneys, and the public. This position is responsible for preparing legal opinions, enforcement orders, and administrative rules to implement agency policy and authority. This person is responsible for agency investigation and enforcement of campaign finance, ethics, and lobbying law violations. The individual in this position must be able to respond to questions involving complex application of statutes and administrative code in order to promote compliance with applicable laws. The individual in this position conducts policy and legal analysis related to the administration of Wisconsin's campaign finance, election administration, lobbying, and ethics laws, and reviews applicable court decisions for potential impact on the Commission's responsibilities.

This position receives and responds to requests for information and requires the judgment necessary to discern what information may or may not be released to the public. Due to the nature of the responsibilities of the Ethics Commission, this position works with and is privy to statutorily confidential information. Therefore, this position requires an increased level of professionalism and the maintenance of confidentiality in order to preserve the public trust in the efforts of the Commission. Wisconsin Ethics Commission staff members are required to be non-partisan, in accordance with [WIS. STAT. § 19.47\(10\)](#). The individual in this position must also possess a law degree from an accredited law school and be eligible to be licensed to practice law in the State of Wisconsin.

Major duties and responsibilities of the Staff Counsel and the approximate allocation of effort include the following:

- A. Provide legal advice to the Commission and staff, along with authoritative and timely advice and information on the application of laws, rules, and regulations under the agency's jurisdiction to political registrants, state public officials, county and local corporate counsels, district attorneys, and the public (40%)
- B. Investigate alleged violations of campaign finance, ethics, and lobby law (25%)
- C. Represent the agency in election related matters, civil forfeiture actions, and provide litigation support on behalf of the agency (15%)
- D. Provide general legal services for the agency (5%)
- E. Implement administrative rule making authority and responsibilities of agency. (5%)
- F. Provide legislative support services for the agency (5%)
- G. Perform all other duties as assigned by the Administrator (5%)

Office Management Specialist

Under the general supervision of the Administrator of the Wisconsin Ethics Commission, this position provides a wide variety of support for Commission operations. This position manages the day-to-day administrative support operations of the Commission's campaign finance, lobbying, and ethics reporting programs; assists the Administrator with budget development and management; provides forms and records management; serves as the Commission's purchasing and printing agent; conducts liaison activities for the Commission on personnel management matters; provides fiscal accounting support; and prepares special reports and analyses for the Administrator.

The position reports the success of the program's policies and procedures to the Administrator and the Commissioners on a regular basis, and directs staff to develop and implement more effective, efficient ways to achieve the program's goals. This position receives and responds to requests for information and requires the judgment necessary to discern what information may or may not be released to the public. Due to the nature of the responsibilities of the Ethics Commission, this position works with and is privy to statutorily confidential information. Therefore, this position requires an increased level of professionalism and the maintenance of confidentiality in order to preserve the public trust in the efforts of the Commission. Wisconsin Ethics Commission staff members are required to be non-partisan, in accordance with [WIS. STAT. § 19.47\(10\)](#).

Major duties and responsibilities of the Office Management Specialist and the approximate allocation of effort include the following:

- A. Operational and Administrative Management of Commission Programs (35%)
- B. Budget, Financial, and Purchasing Activities (25%)
- C. Records Management (20%)
- D. Personnel Management Support (10%)
- E. Perform all other duties as assigned by the Administrator (10%)

Elections/Ethics Specialists

Five positions under the Ethics Commission are classified as either an Elections Specialist or Ethics Specialists. Elections Specialists' responsibilities are mostly related to campaign finance. Ethics Specialists' responsibilities are mostly related to either the lobbying law or the code of ethics. Both Elections Specialists and Ethics Specialist share a similar position description, though the allocation of effort varies with each position, even within each classification.

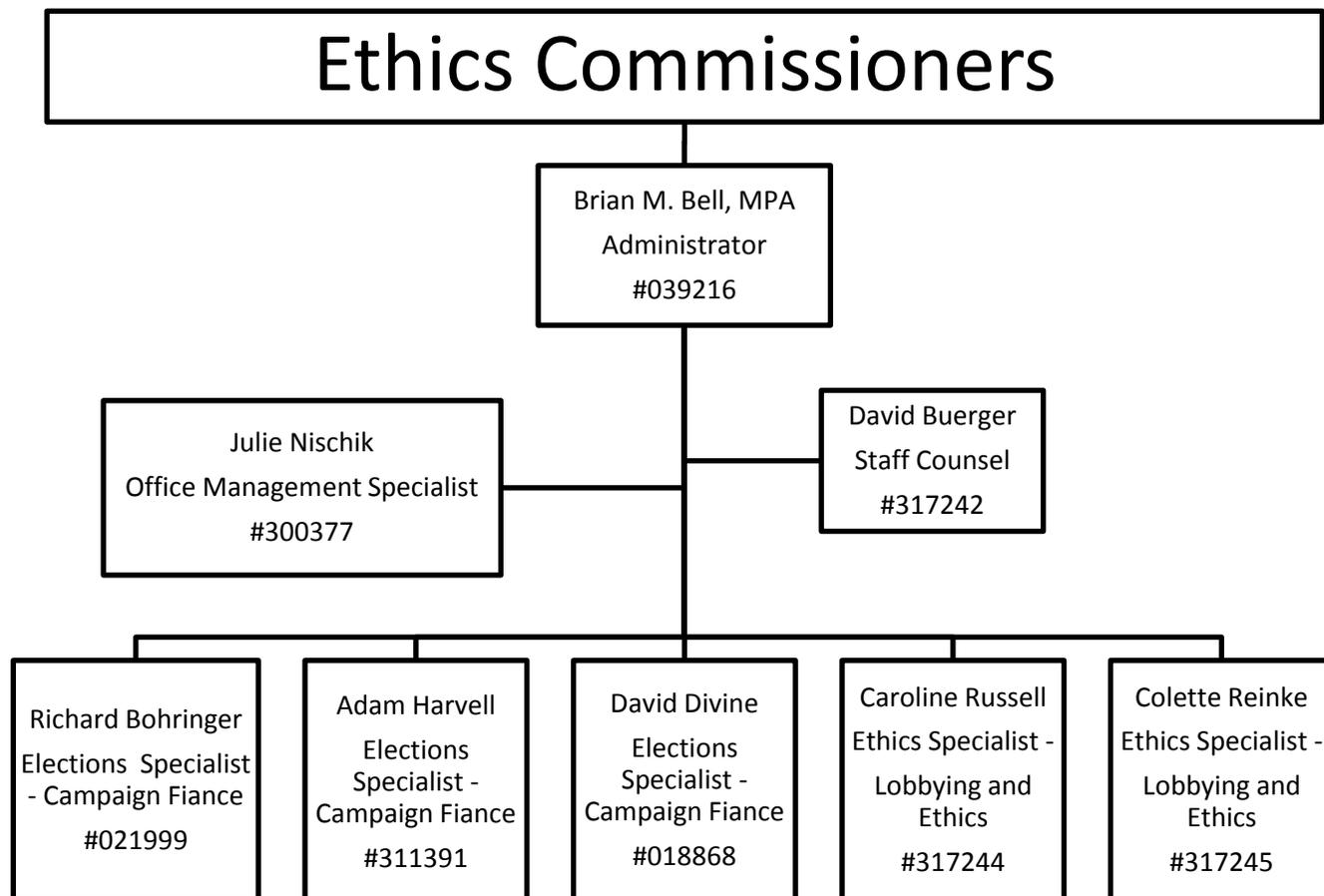
Under the general supervision of the Administrator of the Wisconsin Ethics Commission, these positions provide operational execution of the Wisconsin Ethics Commission's statutory responsibilities, and ensuring compliance with Wisconsin's campaign finance, lobbying, financial disclosure, and ethics laws. The individuals in these positions must be able to respond to questions involving complex application of statutes and administrative code, and assist individuals and organizations to comply with registration/licensing and reporting requirements. The individuals in these positions conduct policy and legal analysis related to the administration of Wisconsin's campaign finance, lobbying and ethics laws, and reviews applicable court decisions for potential impact on the Commission's responsibilities. These positions report to the Administrator and the Commissioners on a regular basis the success of programs, policies, and procedures, and develop and implement more effective, efficient ways to achieve program goals.

These positions receive and respond to requests for information and require the judgment necessary to discern what information may or may not be released to the public. Due to the nature of the responsibilities of the Ethics Commission, these positions work with and are privy to statutorily confidential information. Therefore, these positions require an increased level of professionalism and the maintenance of confidentiality in order to preserve the public trust in the efforts of the Commission. Wisconsin Ethics Commission staff members are required to be non-partisan, in accordance with [Wis. STAT. § 19.47\(10\)](#).

Major duties and responsibilities of Elections/Ethics Specialists include the following:

- A. Campaign Finance
- B. Lobbying
- C. State of Wisconsin Code of Ethics
- D. Policy and Legal Analysis
- E. Perform all other duties as assigned by the Administrator

Organizational Chart



Recommendations for Potential Legislation

Appendix B contains potential changes to the statutes the Commission administers. These suggestions have been collected from staff experiences through administering the laws; comments from legislators, committees, lobbyists, principals, and state officials; and from public testimony at agency and legislative hearings. The Ethics Commission asks that the Legislature consider addressing the issues outlined below through legislation. The Ethics Commission approved these recommendations at its August 22, 2017 meeting. Commission staff is available to assist Legislators and their staff regarding any of the potential changes addressed in this memorandum, as well as any other potential changes to the statutes that the Commission administers.

Previous Recommendations for Potential Legislation

In the Ethics Commission's previous annual report the agency presented 23 potential changes to the statutes that the Ethics Commission is responsible for administering. The commission approved these recommendations at its October 10, 2016 meeting. Since the previous annual report, the Ethics Commission also directed staff to work with the Legislative Reference Bureau and exercise the agency's drafting privileges regarding the recommendations where the Commission included a proposed change. This work resulted in three drafts:

- LRB 17-0469_P6: Campaign Finance changes;

- LRB 17-0476_P3: Lobbying minor changes and reorganization of the lobbying prohibited practices provisions for clarity; and
- LRB 17-0477_P3: Lobbying and Ethics minor changes.

The 23 recommendations from the previous annual report are restated below.

Campaign Finance (Chapter 11, Wisconsin Statutes)

1. §11.0101(7). Listing the committee types that a conduit can give to in the definition makes it unclear whether conduits can give to federal candidates, out-of-state candidates, independent disbursement committees, referenda committees, or recall committees. Since the individual can give to all of those entities on their own, it seems logical that they should be able to do so through the conduit. The Legislature should consider revising this provision to remove the list of committees and instead state *any candidate or committee at the direction of the contributor*.
2. §11.0102(2)(a). The previous statute said only committees required to register *with the board* had to pay filing fees. This statute implicates local recall committees and referendum committees that register with local clerks, not the Ethics Commission. In order to limit the filing fees provision, the Legislature should revise this provision to only committees required to register with the commission under this chapter.
3. §11.0104. The annual expiration and renewal of exempt status is reasonable for committees that file at the state level. However, for local filing officers, it's time consuming and doesn't accomplish very much. Virtually all local committees are on exempt status, and tend to remain that way as long as that person holds office. The Legislature should add qualifying language that would limit the annual requirement to registrants that file with the Commission.
4. §11.0104(1). This statute exempts committees from filing campaign finance reports if they have under \$2,000 in activity in a calendar year. It talks only about *amending* a registration statement - it does not, however, appear to allow a committee to claim the exemption when it files its initial registration. The Legislature should revise this provision by removing the word *amended* regarding claiming exemption. The Legislature could also consider changing the \$2,000 threshold to \$2,500 in order to be consistent with the threshold for registering most committees in Ch. 11.
5. §11.0104(2). This statute covers committees on exempt status that should not be required to file any reports. The use of the words *continuing reports* leaves the requirements for pre-primary, pre-election, and post-election reports ambiguous. Staff recommends changing *continuing reports* to *campaign finance reports*.
6. §11.0104(4). This provision exempts committees who are exempt from reporting requirements from filing termination reports. The Legislature should consider requiring termination reports regardless of exempt status to ensure disclosure of how residual funds were disposed.
7. §11.0201(4). Contribution limits cover the entire election period – four, six, or ten years for some candidates. In order to audit contribution limits properly, the entire election

period must be covered. Committees should keep records for the entire campaign period plus an additional three years after the election occurs in order to facilitate potential audits. The Legislature could address this by modifying this provision to state that *the treasurer shall maintain records for the entire campaign period in an organized and legible manner for not less than three years after the date of the election in which the candidate committee participates.*

8. §§11.0204(4)(d) and (5)(c), 11.0204(6)(b), 11.0304(4)(d) and (5)(c), 11.0404(2)(d) and (3)(c), 11.0504(4)(d) and (5)(c), 11.0604(4)(d) and (5)(c), 11.0704(4)(b) and (5)(b), 11.0804(4)(d) and (5)(c), and 11.0904(4)(d) and (5)(c). Several provisions regarding which committees are required to file a September continuing report in even years are not clear. Statutes require all partisan candidates and office holders to file the September continuing report, regardless of whether they are on the ballot in that election (e.g., state senators and state constitutional officers). The other provisions appear to limit the requirement to committees that make or accept contributions, make disbursements, or incur obligations to support or oppose one or more candidates (or referendum, in the case of referendum committees) at a partisan primary or general election. The Legislature should clarify the reporting sections of the statutes to either require all committees to file September continuing reports, or to specify a time period that would qualify a committee as having supported or opposed one or more candidates at a partisan primary or general elections (e.g., 60 days prior, during the campaign period, during the calendar year, etc.).
9. §§11.0204(1)(a) 7, 11.0304(1)(a) 7, 11.0404(1)(a) 7, 11.0504(1)(a) 7, 11.0604(1)(a) 7, 11.0804(1)(a) 6, 11.0904(1)(a) 7. These provisions exempt loans made to a committee of \$20 or less from itemized reporting. This conflicts with other contributions, which must be itemized, unless anonymous. The Legislature should remove the language *in an aggregate amount or value in excess of \$20* to require itemization of all contributions.
10. §§11.0204(7), 11.0304(7), 11.0404(7). These provisions establish a start date to begin late reporting, but no date to end them. The current statutes also require 72-hour late reporting of independent expenditures, and that reporting period ends on the day of the primary or election. The Legislature should add to these provisions *that late reporting requirements end on the day of the primary or the election.*
11. §11.0505 (1) (a) and §11.0605 (1) (a). This provision does not define starting and ending points for determining the aggregate spending on express advocacy and could lead to confusion on the requirement to file reports. The Legislature should require committees to begin counting express advocacy expenses 60 days prior to the primary and continue through the date of the election. Committees would aggregate totals separately for the spring and fall election periods.
12. §11.1103. The Legislature should revise the citations in this provision to reference §11.1101 (1) to (4), instead of just (1) to (3). This appears to be a drafting oversight that did not account for (4) which addresses *other persons.*
13. §11.1103. Previously, campaign periods ended on December 31st and June 30th, corresponding with the January and June campaign finance reports. Under the current version of statutes, the campaign period ends on the day before the term of office begins. For the November Election the campaign period ends sometime during the first week of January; the campaign period for local officials sometime in April or May; and the

campaign period for judges ends July 31st. Since reports covering early January are not due until July, and reports covering July are not due until January, this delays auditing by six months. It's more difficult for candidates to keep a tally of contributions, since one report covers two campaign periods. It's also confusing for local candidates and filing officers. The Legislature should modify this provision to state that campaign periods end on the same date as the last day covered under the first continuing report due after the election. This would reinstate the December 31st and June 30th dates.

14. *§11.1208(2)*. The term “strictly personal use” is not defined by statute. The Federal Elections Commission does provide a definition of a “personal use,” a similar term. The Legislature should codify a definition of “strictly personal use” in statute.
15. *§11.1302*. This provision requires any committee that makes a donation to a charity or the common school fund to report that activity within five days to their filing officer. With the rewrite of chapter 11, *§11.1208(2)(b)(3)* specifically allows donations to charity or the common school fund. The original provision was added into statutes at the same time as another provision allowing committees to make donations to charity or the common school fund. Staff cannot identify a public interest that would require the disclosure within five days. In practice, some committees choose to donate contributions received from persons with negative or controversial reputations. CFIS currently allows them to disclose that voluntarily or with their next report. The legislature could remove this provision from statutes.
16. *§11.1303(2)(a)*. This provision limits the requirement for a disclaimer (e.g., paid for by...) to express advocacy. Since express advocacy as defined in *§11.0101(11)* applies only to communications about candidates, referenda committees would not have to provide a disclaimer under current law. The Legislature could consider whether or not to extend this requirement to referenda committees.
17. *§§11.1400(5) and 11.1401(2)*. These provisions imply that the Ethics Commission must act and make a probable cause determination prior to a district attorney acting on a complaint under the Commission’s jurisdiction. An opinion of the Attorney General, [OAG 10-08](#), and *§978.05* contradict this and state that the Commission and district attorneys have coequal jurisdiction. The Legislature should revise this provision to reflect the coequal jurisdiction of the Commission and district attorneys.

Lobbying (Subchapter III, Chapter 13, Wisconsin Statutes)

18. *§13.625*. This provision outlines prohibited practices for lobbyists. The construction of this provision meanders back and forth between prohibited and permissible practices. For clarity, the State Legislature could revise this provision in order to clarify prohibited and permissible practices. Please refer to the additional memorandum included regarding proposed language revision for this section of the statutes.
19. *§13.68(6)*. This provision of the statutes requires that the Commission “mail written notices” to lobbying principals and authorized lobbyists of those principals that fail to file timely reports. The legislature could modernize this provision to facilitate more cost-effective means of notification such as email by replacing “mail written notices” with “provide notice by the most effective means available” or other similar language. Commission staff has also requested an opinion from the Attorney General regarding the

constitutionality of Commission’s ability to restrict a principal’s ability to lobby under this provision related to their right to free speech.

20. §13.685(7). This provision requires the Commission to provide information to legislative clerks related to lobbying. All required information is publicly available on the Commission’s *Eye on Lobbying* website. This provision was enacted prior to the creation of the lobbying website. Commission staff and the Legislative Chief Clerks agree that this provision is unnecessary and could be removed. The State Legislature could consider eliminating this unnecessary provision.

Code of Ethics (Subchapter III, Chapter 19, Wisconsin Statutes)

21. §§16.753, 19.48(11), and 20.9305(2)(e). These provisions require the Commission to “maintain an internet site on which the information required to be posted by agencies under [Wis. Stat. § 16.753\(4\)](#) can be posted and accessed. The information on the site shall be accessible directly or by linkage from a single page on the internet.” This information has historically been available at <http://sunshine.wi.gov/>. Since the enactment of the Wisconsin Contract Sunshine Act, two other sites maintained by the State of Wisconsin provide the required information: VendorNet (<https://vendornet.wi.gov/>) and OpenBook Wisconsin (<http://openbook.wi.gov/>). In a 2011 report, the Legislative Audit Bureau similarly noted that this provision was outdated and recommended that the project be terminated.
22. §19.42(12). The current definition of a security used to determine what financial information filers must disclose on a statement of economic interests (SEIs) excludes only certificates of deposit and deposit accounts such as a checking or savings account. There are other types of securities that would be included in the definition provided in Wis. Stat. §551.102(28) that provide no substantial information regarding a person’s economic interests that may influence their official actions. The State Legislature could simplify the SEI reporting and reduce the burden on filers without reducing transparency regarding the economic interests of public officials by excluding defined benefit retirement plans, annuities, and money market funds from the definition of security in this provision of the statutes. The definition could also exclude mutual funds and exchange-traded funds (ETFs). All of these types of securities consist of a diverse conglomeration of securities not managed under the direct or indirect control or influence of the individual.
23. §19.45(12). A U.S. District Court found this provision unconstitutional. The State Legislature should repeal this provision. *Barnett v. State Ethics Board*, 817 F. Supp. 67 (1993).

New Recommendations for Potential Legislation

Campaign Finance (Chapter 11, Wisconsin Statutes)

1. Source Restrictions for Unregistered Entities Seeking to Contribute to Wisconsin Committees

If a section 527 organization or nonresident PAC registers as a PAC in Wisconsin, it is prohibited from accepting contributions from corporations, associations, labor unions, or

tribes. [WIS. STAT. § 11.1112](#). If a section 527 organization or nonresident PAC registers as an independent expenditure committee, no source restrictions apply, but it cannot contribute to committees other than another independent expenditure committee or a referendum committee. WIS. STAT. §§ [11.0601\(3\)\(b\)](#), [11.1112](#). If a section 527 organization or nonresident PAC is not required to register in Wisconsin, but chooses to contribute to Wisconsin committees, the law is unclear as to what, if any, source restrictions would apply.

Wisconsin's source restriction provision, [WIS. STAT. § 11.1112](#), states:

“No foreign or domestic corporation, no association organized under ch. [185](#) or [193](#), no labor organization, and no federally recognized American Indian Tribe may make a contribution to a committee, other than an independent expenditure committee or referendum committee, but may make a contribution to a segregated fund as provided under s. [11.1104 \(6\)](#) in amounts not to exceed \$12,000 in the aggregate in a calendar year.”

“Committee” is defined by [WIS. STAT. § 11.0101\(6\)](#) as:

“A candidate committee, legislative campaign committee, political action committee, independent expenditure committee, political party, recall committee, and referendum committee.”

The absence of language addressing unregistered entities in [WIS. STAT. § 11.1112](#) is expected as the entity may have no ties to Wisconsin and those sources may be perfectly permissible in the entity's home jurisdiction. However, when such an unregistered entity chooses to contribute to a Wisconsin committee there may be reason to question whether the entity should be required to make such a contribution only from sources of funds permissible in Wisconsin. Federal campaign finance law specifically addresses this type of situation and requires the unregistered contributor to make donations only from funds that are permissible under federal law. *See* 52 U.S.C. § 30125; 11 CFR § 102.5.

Currently, prohibited sources of funds like corporations cannot contribute to candidates at all and can only contribute money to political parties and legislative campaign committees through what is known as a “segregated fund”. [WIS. STAT. § 11.1112](#). These segregated funds are established by a political party or legislative campaign committee and the funds in them cannot be used to make contributions to a candidate committee or for disbursements for express advocacy. WIS. STAT. §§ [11.1104\(6\)](#), [11.1112](#). If corporations can give to 527s and non-resident PACs who can in turn give to Wisconsin committees without also segregating those corporate funds, it undermines the restrictions of [WIS. STAT. § 11.1112](#). It seems illogical that the Legislature would erect a barrier to such contributions only to allow them into campaigns via these entities.

The courts have said, “If a statute fails to cover a particular situation, and the omission should be cured, the remedy lies with the Legislature, not the courts.” *La Crosse Lutheran Hosp. v. La Crosse County*, 133 Wis. 2d. 335, 338 (1986). Accordingly, the Commission will not read words into the statute that are not there, but instead refers the matter to your committees for consideration.

The Commission requests that the Legislature review this issue to clarify if unregistered entities are required to abide by Wisconsin source restrictions when contributing to Wisconsin committees. The Commission referred this matter to the appropriate standing committees of the Legislature on March 14, 2017.

2. [§11.0101\(7\)](#). A review of legislative history illustrates that the creation of conduits under Wisconsin's Campaign Finance laws was intended to limit contributions to and given through a conduit to only individuals. The Legislature should update the definition of a conduit in statutes to specify that only individuals can contribute to and through a conduit.
3. [§§11.0103\(3\)\(a\)3.](#), [11.0204\(3\)\(c\)](#), [11.0204\(5\)\(d\)](#), [11.0304\(3\)\(c\)](#), [11.0304\(5\)\(d\)](#), [11.0404\(3\)\(d\)](#), [11.0504\(3\)\(c\)](#), [11.0504\(5\)\(d\)](#), [11.0604\(3\)\(c\)](#), [11.0604\(5\)\(d\)](#), [11.0704\(3\)\(b\)](#), and [11.0704\(5\)\(c\)](#). These provisions related to a post-election report required after a special election unless a continuing report is due on or before the 45th day after a special election. The report covers all activity after the special pre-election report through 22 days after the special election, and must be filed between the 23rd and 45th day after the special election. The Legislature should consider repealing these provisions to simplify reporting requirements. There is arguably minimal value to public disclosure by requiring these special reports, rather than waiting until the next required continuing report, similar to regularly scheduled elections. If the Legislature wishes to retain these special election reports, the Legislature should at least consider removing the requirement from conduits, who do not file any other election-related reports.
4. [§11.1106\(3\)](#). This provision requires the filing officer of a conduit to place a copy of conduit contributions reported in a file for both the conduit and the recipient committee. Under the current campaign finance laws, the Ethics Commission is the only filing officer for all conduits. The Commission now maintains all of this information electronically through the Campaign Finance Information System (CFIS) at <https://cfis.wi.gov>. The information is available to the public under both the conduit and the receiving committee. The Legislature should consider repealing this provision because it is no longer required based on the use of technology to make this information readily available to the public.
5. [§11.1113\(3\)](#). This section of the statutes addresses contributions from limited liability companies. There are references in this section to both *candidate committees* as well as the more general *committees*. For consistency and uniform treatment of contributions, the Commission recommends that the Legislature remove the word *candidate* from this provision where it is followed by the word *committee* so that this section applies to all types of committees.

Lobbying (Subchapter III, Chapter 13, Wisconsin Statutes)

6. [§13.63\(1\)\(a\)](#). This section lists the information a lobbyist must provide when applying for a license. The Ethic Commission requests that the Legislature add a requirement for lobbyist applicant to provide on their application their personal address, in order to facilitate more accurate auditing of prohibited personal contributions by lobbyists under [WIS. STAT. § 13.625\(1m\)](#), as well as adding that personal address to information not available for public inspection under [WIS. STAT. § 19.55\(2\)\(d\)](#).

7. [§19.43\(1\)](#). This provision requires any official required to file a statement of economic interests with the Commission for the preceding year to do so if the individual holds a position that is required to file an SEI for even one day in that year. Officials who leave state service early in the year, including Legislators whose term ends on the first Tuesday in January are included in this requirement. The Commission and its predecessors have historically had to spend a disproportionate amount of effort to obtain filing from officials required to file that leave office. The Legislature may wish to consider amending section to exempt officials from filing if they have served less than 15 days in a calendar year. Alternatively the Legislature could consider requiring officials required to file that leave their position and no longer hold a position required to file to file a terminating report within 21 days of terminating their state service.

Determinations and Advisory Opinions Issued Under WIS. STAT. § 19.46(2)

The table below provides a summary of requests for advisory opinions the Commission has received during fiscal year 2017, between July 1, 2016 and June 30, 2017. Below each request is a summary of the Commission’s determinations and any advisory opinion issued related to that request, where applicable.

Request #	Description	Type
RA-2016-001	Salaries paid with campaign fund	Informal Opinion
It is the opinion of the Commission that a candidate committee may not pay its candidate a general salary.		
RA-2016-002	State public officials and contract work for lobbying principals	Informal Opinion
It is the opinion of the Commission that the requestor does not meet the definition of an employee under WIS. STAT. § 13.625(6r) and therefore the lobbying principal may not give the requestor anything of pecuniary value, including compensation, beyond actual and reasonable expenses incurred.		
RA-2016-003	Recusal from rulemaking and application of the lobbying law	Informal Opinion
It is the opinion of the Commission that an official’s recusal from rulemaking responsibilities is not sufficient to cause the official to no longer qualify as an agency official under WIS. STAT. § 13.62(3). It is the position the official holds that determines whether the official is subject to the law, not the official’s actions.		
RA-2016-004	Campaign activity at an official press conference	N/A
No opinion offered. Closed – invalid request.		
RA-2016-005	Exemption from Campaign Finance Reports in the year of election	N/A
No opinion offered. Referral to Legislative Standing Committees; Request AG Opinion		
RA-2016-06	Solicitation by state public officials	Informal Opinion
It is the opinion of the Commission that public funds may be expended only for a public purpose and that state public officials would be allowed to solicit for contributions from individuals and entities that do not have any special or specific interest in an item or matter likely to be before the Legislature or where the contribution solicited is only of modest value.		
RA-2017-01	State Public Officials ability to serve on the board of directors of a non-profit organization	Informal Staff Guidance
It is the opinion of staff that state public officials are not prevented from serving on the board of directors of a non-profit organization. However, if a state public official was invited to serve on the		

Request #	Description	Type
	board because of their public position and thereby received anything of substantial value that would be a violation of WIS. STAT. § 19.45(2) unless the receipt was otherwise permitted by WIS. STAT. § 19.56(3).	
RA-2017-02	Regulation of 527 Organizations and Nonresident PACs	Informal Opinion
	It is the opinion of the Commission that a 527-organization or nonresident PAC is required to register as a committee only if it meets the applicable thresholds for registration. If required to register as a committee, a 527-organization or nonresident PAC must abide by the source restrictions and contribution limits of Wisconsin law as applicable to the type of committee. If not required to register as a committee, a 527-organization or nonresident PAC must abide by the contributions limits applicable to other persons.	
RA-2017-03	Receipt of travel, lodging, food, and beverage	Request Withdrawn
	No opinion offered.	
RA-2017-04	Acceptance of legal services by an elected official	Informal Opinion
	It is the opinion of the Commission that the elected official may accept legal services from the organization because the specific facts presented in this case do not support that the official used his or her office to obtain the benefit of the legal services.	
RA-2017-05	Conduits and permissible sources	Request Withdrawn
	No opinion offered.	
RA-2017-06	Use of Official Title in Advertising, Improper Use of Office	Formal Opinion 17-01
	It is the opinion of the Commission that a public official may not use his or her title or prestige of public office to obtain financial gain; however, a public official may include his or her public role in a biography or résumé as long as it is included in the same style and prominence as other positions described and there is no evidence the official is seeking to obtain financial gain by use of his or her official title or the prestige of public office.	
RA-2017-07	IEC Contributions to Segregated Funds and Others	Formal Opinion 17-02
	It is the opinion of the Commission that an independent expenditure committee may not contribute to segregated funds established by a political party or a legislative campaign committee; and that an independent expenditure committee may contribute to referendum committees and other independent expenditure committees. An independent expenditure committee may be able to contribute to entities not registered under Chapter 11 with the Ethics Commission such as 501(c)(3), 501(c)(4), and 527 organizations; but the Ethics Commission cannot advise on laws outside its jurisdiction.	
RA-2017-08	Acceptance of Travel Costs	Informal Opinion
	Pending.	
RA-2017-09	Soliciting on Behalf of a Non-Profit Organization	Informal Opinion IAO-2017-1
	A state public official may solicit on behalf of a nonprofit organization subject to the restrictions of the lobbying law (if applicable) and the code of ethics. Under the lobbying law, officials are prohibited from soliciting anything of pecuniary value from a lobbyist or lobbying principal. While ordinarily prohibited under the code of ethics, a candidate is specifically authorized to solicit on behalf of a nonprofit with which they are associated pursuant to WIS. STAT. § 11.0206. However, an official is prohibited from soliciting anything of value if it could be reasonably expected to influence his or her vote, his or her official actions or judgment, or could reasonably be considered a reward.	
RA-2017-10	Permissible Use of Office	Informal Opinion IAO-2017-2
	The press release in this case does not privately benefit the official, his or her family, or an organization with which he or she is associated. The press release also does not contain any express advocacy and would not constitute a contribution or independent expenditure. If there was a complaint regarding the	

Request #	Description	Type
	propriety of the use of public resources to draft and transmit such a press release, the court system, not the Ethics Commission, is the forum in which such a matter should be disputed.	
RA-2017-11	Co-Sponsorship of an Event	Informal Opinion IAO-2017-3
	An agency may co-sponsor an event if it determines that such co-sponsorship would benefit the state. Agency officials may solicit items of value for the event as permitted under the code of ethics. State public officials may accept such items of value subject to the exceptions to the code of ethics. Local public officials have no similar exceptions to the local code of ethics, but may accept such items of value if the benefit conveyed is primarily a public benefit.	
RA-2017-12	Participation in Litigation as Amicus Curiae	Informal Opinion IAO-2017-4
	A state public official may not accept pro bono legal services offered because of the official's public position.	
RA-2017-15	Solicitations by a Current Public Official	Informal Opinion IAO-2017-5
	A state public official may solicit for donations of goods and services subject to the restrictions of the lobbying law (if applicable) and the code of ethics. Under the lobbying law, officials are prohibited from soliciting anything of pecuniary value from a lobbyist or lobbying principal. Under the code of ethics, an official may accept items of value if the reason or occasion for which they are given is unrelated to holding public office. However, an official is prohibited from soliciting anything of value if it could be reasonably expected to influence his or her vote, his or her official actions or judgment, or could reasonably be considered a reward.	
RA-2017-16	Social Event by Former Public Official	Informal Opinion IAO-2017-6
	A former state public official may host a social event and provide food and beverage to current public officials where the event is open to the public and all attendees are paying the same fee to participate.	

Summary of Investigations Conducted (WIS. STAT. § 19.47(5))

The Ethics Commission is required by WIS. STAT. § 19.47(5) to specify in its annual report the total number of investigations conducted by the Commission since its last annual report and include a description of the nature of each investigation, including whether the investigation related to campaign finance, ethics, or lobbying. The required information is provided in the table below.

Case #	Nature of the Investigation	Campaign Finance?	Lobbying?	Ethics?
2016-ETH-034	Use of public resources for private benefit	Yes	No	Yes

Policies and Procedures of the Commission

Current policies and procedures adopted by the Commission are provided as appendices to this report. If the Commission makes changes to current policies or adopts new policies, those actions will be promptly reported as required under [WIS. STAT. § 19.47\(9\)\(a\)](#). All of the policies and procedures listed in the appendices to this report were approved or reapproved by the Commission at its August 22, 2017 meeting.

Appendix A: Statutory Duties and Compliance

Statute	Language	Summary
11.0102(2)(a)	Except as provided in pars. (c) and (d), each committee that is required to register under this chapter shall annually pay a filing fee of \$100 to the Commission. The Commission may accept payment under this subsection by credit card, debit card, or other electronic payment mechanism, and may charge a surcharge to that committee to recover the actual costs associated with the acceptance of that electronic payment.	The Commission collects filing fees from all committees required to register with the Commission except candidate committees, and committees that do not expend more than \$2,500 annually.
11.0103(3)(d)	The Commission shall prescribe a simplified, short form for compliance with this section by a committee treasurer who has not engaged in any financial transaction since the last date included on the treasurer's preceding report.	https://ethics.wi.gov/Pages/CampaignFinance/Forms.aspx
11.1304(1)	Prescribe forms for making the reports, statements, and notices required by this chapter. The Commission shall make the forms available free of charge on the Commission's Internet site and shall distribute or arrange for the distribution of all forms for use by other filing officers.	https://ethics.wi.gov/Pages/CampaignFinance/Forms.aspx
11.1304(2)	Upon request, transmit a form described under sub. (1), free of charge, by facsimile or by 1st class mail.	All forms are available online.
11.1304(3)(a)	Prepare and publish for the use of persons required to file reports and statements under this chapter a manual setting forth simply and concisely recommended uniform methods of bookkeeping and reporting.	https://ethics.wi.gov/Pages/CampaignFinance/CampaignFinance.aspx
11.1304(3)(b)	Prepare, publish, and revise as necessary a manual simply and concisely describing the filing and registration requirements established in this chapter in detail, as well as other major provisions of this chapter and ch. 12.	https://ethics.wi.gov/Pages/CampaignFinance/CampaignFinance.aspx
11.1304(4)	Develop a filing, coding, and cross-indexing system consonant with the purposes of this chapter.	https://cfis.wi.gov
11.1304(5)	Assign an identification number to each committee for whom the Commission acts as a filing officer under s. 11.0102 (1) and to each conduit.	CFIS assigns committee ID numbers automatically.
11.1304(6)(a)	Except as provided in par. (b), require each committee for whom the Commission serves as filing officer under s. 11.0102 (1) to file each campaign finance report that is required to be filed under this chapter in an electronic format. The Commission shall permit an authorized individual to provide at the time of filing an electronic signature, as defined ins. 137.11 (8), that is subject to a security procedure, as defined in s. 137.11 (13). A committee that files a report under this subsection in an electronic format may file with the Commission that portion of the report signed by an authorized individual rather than submit the electronic signature of that individual. The Commission shall provide complete instructions to any committee that files a report under this subsection.	The Commission audits committees to determine if they meet the threshold to file electronically and requires them to do so. To sign electronically a person provides their name, ID number, password, and PIN. Committees still have the option of providing a written signature.

Statute	Language	Summary
11.1304(6)(b)	Permit a committee that accepts contributions in a total amount or value of \$1,000 or less during a campaign period to opt out of the requirement to file a campaign finance report in an electronic format as specified in par. (a). In this paragraph, the campaign period of a candidate committee begins and ends as provided under s. 11.1103, and the campaign period of any other committee begins on January 1 of each odd-numbered year and ends on December 31 of the following year.	The Commission audits committees during each campaign period to determine if they meet the eligibility to be exempt from electronic filing of reports.
11.1304(7)	Compile and maintain on an electronic system a current list of all reports and statements received by or required of and pertaining to each committee registered under this chapter.	https://cfis.wi.gov
11.1304(8)	Maintain a duplicate record of any statement submitted by a political action committee under s. 11.0505 or by an independent expenditure committee under s. 11.0605 or by a person under subch. X together with the record of each candidate to whom it relates.	Information filed in CFIS and a duplicate copy is maintained electronically. Paper records filed are store in accordance with current records disposition authorizations.
11.1304(9)	Determine whether each report or statement required to be filed under this chapter has been filed in the form and by the time prescribed by law, and whether it conforms on its face to the requirements of this chapter.	Staff conducts audits of all reports filed for compliance with Wisconsin Statutes.
11.1304(10)	Immediately send to any committee or conduit which is delinquent in filing, or which has filed otherwise than in the proper form, a notice that the committee or conduit has failed to comply with this chapter. Whenever a candidate committee has appointed an individual other than the candidate as campaign treasurer, the Commission shall send the notice to both the candidate and the treasurer of the candidate committee.	Notices are sent electronically through CFIS and manually by staff, as required.
11.1304(11)	Receive and maintain in an orderly manner all reports and statements required to be filed with the state under the federal election campaign act. The Commission shall: (a) Preserve such reports and statements for a period of 6 years from date of receipt. (b) Compile and maintain a current list of all reports and statements pertaining to each candidate who is required to file a report or statement under the federal election campaign act. (c) Promptly compile and release for public inspection a list of all reports received from candidates for national office and from committees supporting or opposing such candidates which are required to be filed with the state under the federal election campaign act, as soon as possible after each deadline for receipt of such reports as provided by federal law.	This information is available on the Federal Elections Commission website. No reports are filed with the Ethics Commission.
11.1304(12)	Make the reports and statements filed under this chapter, including those reports and statements filed under sub. (11), available on the Commission's Internet site for public inspection and copying, commencing as soon as practicable but not later than the end of the 2nd day following the day during which they are received. No information copied from such reports and statements may be sold or utilized by any person for any commercial purpose.	Information is immediately available on https://cfis.wi.gov upon being filed, with a disclaimer stating the restricted use specified in statute.
11.1304(13)	Upon the request of any person, permit copying of any report or statement described under sub. (12) by hand or by duplicating machine at cost.	The public can access reports online for free through CFIS in a PDF format.

Statute	Language	Summary
11.1304(14)	Include in its annual report under s. 19.47 (5) compilations of any of the following in its discretion: (a) Total reported contributions, disbursements, and incurred obligations for all committees registered and reporting under this chapter during the biennium. (b) Total amounts contributed during the biennium, reported by contribution amounts as determined by the Commission, to each type of committee registered and reporting under this chapter. (c) Total amounts expended during the biennium, reported by disbursement amounts as determined by the Commission, by each type of committee registered and reporting under this chapter. (d) Total amounts expended for influencing nominations and elections whenever separate information is reported. (e) Aggregate amounts contributed by any contributors shown to have contributed more than \$100.	At the discretion of the Commission.
11.1304(15)	Prepare and publish from time to time special reports comparing the various totals and categories of contributions and disbursements made with respect to preceding elections.	At the discretion of the Commission.
11.1304(16)	Make available a list of delinquents for public inspection.	The Commission has not yet determined a policy for how to complete this requirement.
11.1304(17)	Promulgate rules to administer this chapter.	http://docs.legis.wisconsin.gov/code/admin_code/eth
11.1400(6)	Any elector may file a verified petition with the Commission requesting that civil action under this chapter be brought against any person or committee. The petition shall allege such facts as are within the knowledge of the petitioner to show probable cause that a violation of this chapter has occurred.	The Commission accepts verified petitions under its complaints procedures.
11.1401(2)	Except as otherwise provided in ss. 19.49 (2) (b) 13. and 14. and (h) and 19.554, and only after the Commission has determined probable cause, all prosecutions under this section shall be conducted by the district attorney for the county where the defendant resides or, if the defendant is a nonresident, by the district attorney for the county where the violation is alleged to have occurred. For purposes of this subsection, a person other than an individual resides within a county if the person's principal place of operation is located within that county.	The Commission determines whether there is probable cause to refer criminal prosecutions to district attorneys through its complaints procedures.
13.62(4m)	"Budget bill subject" means a subject specified by the Commission that is included in the executive budget bill or bills introduced under s. 16.47.	The Commission uses the budget bill subjects specified by the Legislative Fiscal Bureau for the purpose of lobbying reporting.
13.685(1)	The Commission shall prescribe forms and instructions for preparing and filing license applications under s. 13.63 (1), registration applications under s. 13.64 and the statements required under ss. 13.68 and 13.695.	All forms and instructions are provided on the Eye on Lobbying website: https://lobbying.wi.gov
13.685(2)	The Commission shall prepare and publish a manual setting forth recommended uniform methods of accounting and reporting for use by persons who are required to provide information under s. 13.68 (4) or to file statements under s. 13.68 or 13.695	Lobbying manuals and training materials are available on the agency and Eye on Lobbying websites.

Statute	Language	Summary
13.685(3)	The Commission shall examine each statement filed under s. 13.68.	Staff must review statements through the website before they are accepted and made public.
13.685(4)	The Commission shall, by rule, define what constitutes a "topic" for purposes of ss. 13.67 and 13.68 (1) (bn).	Ethics Administrative Rule 16.03
13.685(7)	Beginning with the 3rd Tuesday following the beginning of any regular or special session of the legislature and on every Tuesday thereafter for the duration of such session, the Commission shall, from its records, submit to the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2), a report of the names of lobbyists licensed under s. 13.63 and the names of officers and employees of agencies filed under s. 13.695 who were not previously reported, the names of the principals or agencies whom they represent and the general areas of legislative and administrative action which are the object of their lobbying activity. Such reports shall be incorporated into the journal of the senate and a copy filed in the office of the chief clerk of the assembly. The Commission shall also notify the chief clerk of each house that a copy of each statement which is required to be filed under ss. 13.68 and 13.695 is available upon request. Such copy shall be open to public inspection but shall not be incorporated in the journal unless the chief clerk so orders. The Commission shall include in its report under s. 15.04 (1) (d), a summary of the statements it has received under ss. 13.68 and 13.695.	The Commission automated this process within the Eye on Lobbying website by automatically generating a report with the required information and emailing it to the Chief Clerks in each house of the State Legislature.
13.695	(1) Each agency shall file with the Commission on or before January 31 and July 31 a statement which identifies the officers and employees of the agency who are paid a salary and whose regular duties include attempting to influence legislative action. The statement shall be attested by the agency head or such person's designee. Each statement shall contain the following information, which shall be current to within 30 days of the filing deadline, and cover the period since the last date covered in the previous statement: (a) The name of the agency filing the statement; (b) The name, title and salary, which is paid by the state, of each officer or employee engaged in such legislative activity, the proportionate amount of time spent on legislative activity and the general area of legislative action which the officer or employee has attempted to influence.	Agencies complete their reporting through a customized application within the Eye On Lobbying website: https://lobbying.wi.gov

Statute	Language	Summary
13.74	<p>(1) The Commission shall cause to have made an examination of all statements which are required to be filed with it under this subchapter and may examine any of the documents used to develop such statements. The Commission shall make official note in the file of a principal of any error or other discrepancy which the Commission discovers. The Commission shall inform the person submitting the report of the error.</p> <p>(2) In the discharge of its duties under this subchapter and upon notice to the party or parties being investigated, the Commission may subpoena and bring before it any person in the state and require the production of any papers, books or other records relevant to an investigation. A circuit court may by order permit the inspection and copying of the accounts and the depositor's and loan records at any financial institution as defined in s. 705.01 (3) doing business in the state to obtain evidence of any violation of this subchapter upon showing of probable cause to believe there is a violation and that such accounts and records may have a substantial relation to such violation. In the discharge of its duties, the Commission may cause the deposition of witnesses to be taken in the manner prescribed for taking depositions in civil actions in circuit court.</p>	<p>The Commission conducts audits of all lobbying reports consistent with its lobbying program auditing schedule: https://ethics.wi.gov/Pages/Enforcement/Audits.aspx.</p>
13.75	<p>(1g) The Commission shall charge and collect for the following purposes the following amounts: (a) Obtaining a license under s. 13.63 (1) to act on behalf of one principal, \$250, except that no fee is required for an individual who is eligible for the veterans fee waiver program under s. 45.44. (am) Obtaining a license under s. 13.63 (1) to act on behalf of 2 or more principals, \$400, except that no fee is required for an individual who is eligible for the veterans fee waiver program under s. 45.44. (b) Filing the principal registration form under s. 13.64, \$375. (c) Filing a verified statement under s. 13.621 (5), \$10. (d) Filing an authorization statement under s. 13.65, \$125. (e) Registering an interest in a legislative proposal, proposed administrative rule, budget bill subject or other topic under s. 13.67 (2), \$10, except that no fee is required for an individual who is eligible for the veterans fee waiver program under s. 45.44.</p> <p>(1r) The board [Commission] may accept payment under this section by credit card, debit card, or other electronic payment mechanism, and may charge a surcharge to recover the actual cost associated with the acceptance of that electronic payment.</p>	<p>The Commission collects lobbying fees either by paper check or through the Eye on Lobbying website and the State's e-payment application. The site currently allows ACH payments. Staff is working with DOA to expand that to accept credit card payments and charge a convenience fee, based on the Commission's actions at its August 23, 2016 meeting.</p>
15.04(1)(d)	<p>Biennial report. On or before October 15 of each odd-numbered year, submit to the governor and the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2), a report on the performance and operations of the department or independent agency during the preceding biennium, and projecting the goals and objectives of the department or independent agency as developed for the program budget report. The secretary of administration may prescribe the format of the report and may require such other information deemed appropriate. Each department or independent agency shall provide a copy of its biennial report to legislators upon request. Any department or independent agency may issue such additional reports on its findings and recommendations as its operations require. A department or independent agency may, on or before October 15, submit an annual report prepared by it, in place of the biennial report required under this paragraph, if the submission of the annual reports is approved by the secretary of administration or is otherwise required by law.</p>	<p>19.47(5) requires the Commission to report annually the information required under 15.04(1)(d).</p>

Statute	Language	Summary
15.06(5)	FREQUENCY OF MEETINGS; PLACE. Every commission shall meet on the call of the chairperson or a majority of its members. Every commission shall maintain its offices in Madison, but may meet or hold hearings at such other locations as will best serve the citizens of this state. The elections commission and the ethics commission shall meet in person at least 4 times each year and shall conduct meetings in accordance with accepted parliamentary procedure.	The Commission maintains its Madison office at 212 East Washington Avenue; the Commission holds at least four in-person meetings per year.
19.43	Collect Statements of Economic Interests from appointees, nominees, candidates, and continuing officials, and quarterly reports of economic transactions from Investment Board members and employees.	The Commission collects paper reports from initial filers and enters the information into a database to allow staff to provide a pre-filled version to each filer for their next annual filing.
19.43(7)	If an official required to file fails to make a timely filing, the Commission shall promptly provide notice of the delinquency to the secretary of administration, and to the chief executive of the department of which the official's office or position is a part, or, in the case of a district attorney, to the chief executive of that department and to the county clerk of each county served by the district attorney or in the case of a municipal judge to the clerk of the municipality of which the official's office is a part, or in the case of a justice, court of appeals judge, or circuit judge, to the director of state courts. Upon such notification both the secretary of administration and the department, municipality, or director shall withhold all payments for compensation, reimbursement of expenses, and other obligations to the official until the Commission notifies the officers to whom notice of the delinquency was provided that the official has complied with this section.	This requirement is addressed within the Commission's settlement schedule for late SEI filings: https://ethics.wi.gov/Pages/Enforcement/SettlementSchedules.aspx .
19.46(2)(a)	These provisions allow the Commission to issue formal or informal opinions on propriety of actions under Chapters 11, subchapter III of Chapter 13, subchapter III of Chapter 19. The opinions must cite supported by specific legal authority under a statute or other law, or by specific case or common law authority, and shall include a citation to each statute or other law and each case or common law authority upon which the opinion is based, and shall specifically articulate or explain which parts of the cited authority are relevant to the Commission's conclusion and why they are relevant.	The Commission complies with these requirements regarding any requests or issued any formal or informal advisory opinions. Additional information about requests for advice is available in a separate section of this report.

Statute	Language	Summary
19.46(2)(b)	<p>1. The Commission may authorize the Commission administrator or his or her designee to issue an informal written advisory opinion or transmit an informal advisory opinion electronically on behalf of the Commission, subject to such limitations as the Commission deems appropriate. Every informal advisory opinion shall be consistent with applicable formal advisory opinions issued by the Commission, statute or other law, and case law.</p> <p>2. Any individual may request in writing, electronically, or by telephone an informal advisory opinion from the Commission under this paragraph. The Commission's designee shall provide a written response, a written reference to an applicable statute or law, or a written reference to a formal advisory opinion of the Commission to the individual, or shall refer the request to the Commission for review and the issuance of a formal advisory opinion.</p> <p>3. Any person receiving an informal advisory opinion under this paragraph may, at any time, request a formal advisory opinion from the Commission on the same matter.</p> <p>19.46(2)(a)4 requires the administrator to review informal advisory opinions requested of and issued by the administrator at each regular meeting of the Commission.</p>	<p>The Commission authorized the administrator to issue informal advisory opinions on its behalf at its March 7, 2017 meeting. Since that authority was delegated, the administrator has reported informal advisory opinions issued at the next meeting of the Commission in accordance with this section of the statutes.</p>
19.47(1)	<p>OFFICE. The office of the Commission shall be in Madison, but the Commission may, after proper public notice and in compliance with subch. V, meet or exercise any of its powers at any other place in the state.</p>	<p>The Ethics Commission office is currently located in Madison. The staff has also researched the cost of meeting or exercising any of its powers at any other place in the state.</p>
19.47(2)	<p>ADMINISTRATOR. The Commission shall appoint an administrator in the manner provided under s. 15.62 (1) (b). The administrator shall be outside the classified service. The administrator shall appoint such other personnel as he or she requires to carry out the duties of the Commission and may designate an employee of the Commission to serve as legal counsel of the Commission. The administrator shall perform such duties as the Commission assigns to him or her in the administration of ch. 11, subch. III of ch. 13, and this subchapter.</p>	<p>The Ethics Commission appointed Brian M. Bell as the Administrator. David Buerger is serving as the legal counsel for the Commission.</p>
19.47(3)	<p>Statements of economic interests. All members and employees of the Commission shall file statements of economic interests with the Commission.</p>	<p>All members and employees of the Commission have a current SEI on file.</p>
19.47(4)	<p>ACTION. Any action by the Commission, except an action relating to procedure of the Commission, requires the affirmative vote of at least two-thirds of its members.</p>	<p>The Commission complies with this requirement at each meeting.</p>

Statute	Language	Summary
19.47(5)	Annual report. The Commission shall submit an annual report under s. 15.04 (1) (d) and shall include in its annual report the names and duties of all individuals employed by the Commission and a summary of its determinations and advisory opinions issued under s. 19.46 (2). Except as authorized or required under s. 19.55 (4) (b), the Commission shall make sufficient alterations in the summaries to prevent disclosing the identities of individuals or organizations involved in the decisions or opinions. The Commission shall identify in its report the statutory duties of the administrator of the Commission, together with a description of the manner in which those duties are being fulfilled. Notwithstanding ss. 19.50 and 19.55 (3), the Commission shall also specify in its report the total number of investigations conducted by the Commission since the last annual report and a description of the nature of each investigation, including whether the investigation related to campaign finance, ethics, or lobbying. The Commission may also include in its annual report any information compiled under s. 11.1304 (14). The Commission shall make such further reports on the matters within its jurisdiction and such recommendations for legislation as it deems appropriate.	Reports are due annually no later than October 15 of each year, per 15.04(1)(d). The Commission will submit reports annually that cover each fiscal year.
19.47(6)	OPERATION. The joint committee on legislative organization shall be advisory to the Commission on all matters relating to operation of the Commission.	No action required.
19.47(7)	GUIDANCE FOLLOWING BINDING COURT DECISIONS. Within 2 months following the publication of a decision of a state or federal court that is binding on the Commission and this state, the Commission shall issue updated guidance or formal advisory opinions, commence the rule-making procedure to revise administrative rules promulgated by the Commission, or request an opinion from the attorney general on the applicability of the court decision.	The Commission will comply with this requirement when it becomes applicable.
19.47(8)	STANDING. The Commission has standing to commence or intervene in any civil action or proceeding for the purpose of enforcing the laws regulating campaign finance, ethics, or lobbying or ensuring their proper administration.	No action required.
19.47(9)(a)	Annually, the Commission shall adopt written policies and procedures in order to govern its internal operations and management and shall annually report such policies and procedures to the appropriate standing committees of the legislature under s. 13.172 (3).	Policies and procedures adopted by the Commission are included in the annual report, and are annually adopted with the approval of this report.
19.47(9)(b)	Notwithstanding par. (a), the Commission may reconsider at any time any policy or procedure adopted as provided under par. (a). If, upon reconsideration, the Commission revises a previously reported policy or procedure, the Commission shall report the revision to the appropriate standing committees of the legislature under s. 13.172 (3).	13.172(3) directs the Commission to submit reports to the chief clerks in each Legislative house. The Commission complies where this is applicable.
19.47(9)(c)	The Commission may reconsider at any time any written directives or written guidance provided to the general public or to any person subject to the provisions of ch. 11, subch. III of ch. 13, and this subchapter with regard to the enforcement and administration of those provisions.	13.172(3) directs the Commission to submit reports to the chief clerks in each Legislative house. The Commission would comply where this is applicable.
19.47(10)	EMPLOYEES. All employees of the Commission shall be nonpartisan.	The Commission adopted a nonpartisan staff policy, which is included with this annual report.

Statute	Language	Summary
19.47(11)	PAYMENTS. The Commission may accept payment by credit card, debit card, or other electronic payment mechanism for any amounts owed pursuant to the administration of ch. 11, subch. III of ch. 13, or this subchapter, and may charge a surcharge to the payer to recover charges associated with the acceptance of that electronic payment.	The Commission directed staff to implement offering electronic payment for all transactions, to charge a convenience fee for the lobbying program, but absorb the surcharge for all other transactions.
19.48(1)	Promulgate rules necessary to carry out ch. 11, subch. III of ch. 13, and this subchapter. The Commission shall give prompt notice of the contents of its rules to state public officials who will be affected thereby.	https://docs.legis.wisconsin.gov/code/admin_code/eth
19.48(2)	Prescribe and make available forms for use under ch. 11, subch. III of ch. 13, and this subchapter, including the forms specified in s. 13.685 (1).	All required forms are available electronically on the Commission's websites.
19.48(3)	Accept and file any information related to the purposes of ch. 11, subch. III of ch. 13, and this subchapter which is voluntarily supplied by any person in addition to the information required by this subchapter.	The Commission complies with this requirement.
19.48(4)	Preserve the statements of economic interests filed with it for a period of 6 years from the date of receipt in such form, including microfilming, optical imaging or electronic formatting, as will facilitate document retention, except that: (a) Upon the expiration of 3 years after an individual ceases to be a state public official the Commission shall, unless the former state public official otherwise requests, destroy any statement of economic interests filed by him or her and any copies thereof in its possession. (b) Upon the expiration of 3 years after any election at which a candidate for state public office was not elected, the Commission shall destroy any statements of economic interests filed by him or her as a candidate for state public office and any copies thereof in the Commission's possession, unless the individual continues to hold another position for which he or she is required to file a statement, or unless the individual otherwise requests. (c) Upon the expiration of 3 years from the action of the senate upon a nomination for state public office at which the senate refused to consent to the appointment of the nominee, the Commission shall destroy any statements of economic interests filed by him or her as a nominee and any copies thereof in the Commission's possession, unless the individual continues to hold another position for which he or she is required to file a statement, or unless the nominee otherwise requests. This paragraph does not apply to any individual who is appointed to state public office under s. 17.20 (2).	The Commission complies with this requirement and applicable records disposition authorizations.
19.48(5)	Except as provided in s. 19.55 (2) (c), make statements of economic interests filed with the Commission available for public inspection and copying during regular office hours and make copying facilities available at a charge not to exceed actual cost.	SEIs are available for public inspection in accordance with this provision, and copies available, consistent with the agency's public records request policy.

Statute	Language	Summary
19.48(6)	Compile and maintain an index to all the statements of economic interests currently on file with the Commission to facilitate public access to such statements of economic interests.	The Commission maintains an indexed archive of paper records filed, as well as an electronic database for maintaining reported information and preparing pre-populated forms for filers' upcoming reports.
19.48(7)	Prepare and publish special reports and technical studies to further the purposes of ch. 11, subch. III of ch. 13, and this subchapter.	At the discretion of the Commission.
19.48(8)	Report the full name and address of any individual and the full name and address of any person represented by an individual seeking to copy or obtain information from a statement of economic interests in writing to the individual who filed it, as soon as possible.	The Commission complies with this requirement as applicable.
19.48(9)	Administer programs to explain and interpret ch. 11, subch. III of ch. 13, and this subchapter for state public officials, and for elective state officials, candidates for state public office, legislative officials, agency officials, lobbyists, as defined in s. 13.62, local public officials, corporation counsels and attorneys for local governmental units. The programs shall provide advice regarding appropriate ethical and lobbying practices, with special emphasis on public interest lobbying. The Commission may delegate creation and implementation of any such program to a group representing the public interest. The Commission may charge a fee to participants in any such program.	Staff creates and maintains training manuals, FAQ documents, presentations, seminars, training sessions, webinar events, and other instructional programs that help explain and interpret the statutes the Commission administers, and provide advice on compliance.
19.48(10)	Compile and make available information filed with the Commission in ways designed to facilitate access to the information. The Commission may charge a fee to a person requesting information for compiling, disseminating or making available such information, except that the Commission shall not charge a fee for inspection at the Commission's office of any record otherwise open to public inspection under s. 19.35 (1).	Information regarding the programs the Commission administers is readily available and accessible free of charge on the Commission's websites, and can customize the compilation and dissemination of information through IT support available through a contractor.
19.48(11)	Maintain an Internet site on which the information required to be posted by agencies under s. 16.753 (4) can be posted and accessed. The information on the site shall be accessible directly or by linkage from a single page on the Internet.	https://ethics.wi.gov/Pages/Ethics/ContractSunshine.aspx
19.49	Follow statutory procedures for complaints outlined within this provision of statutes.	The Commission has established complaint procedures that comply with all statutory requirements.
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 formal investigation upon payment of specified amounts by the alleged offender.	The Commission has begun the process to promulgate such a rule.
19.49(2)(c)1	No individual who serves as the administrator may have been a lobbyist, as defined in s. 13.62 (11). No such individual may have served in a partisan state or local office.	The Commission Administrator has never been a lobbyist or ever served in a partisan state or local office.

Statute	Language	Summary
19.49(2)(c)(2)	No employee of the Commission, while so employed, may become a candidate, as defined in s. 11.0101 (1), for a state or partisan local office. No individual who is retained by the Commission to serve as a special investigator or as special counsel may, while so retained, become a candidate, as defined in s. 11.0101 (1), for any state or local office. A filing officer shall decline to accept nomination papers or a declaration of candidacy from any individual who does not qualify to become a candidate under this paragraph.	Employees of the Commission are aware of this prohibition. One employee is a candidate, as defined by statute, for a non-partisan local office, as a Village Board Trustee.
19.49(2)(d)	No individual who serves as an employee of the Commission and no individual who is retained by the Commission to serve as a special investigator or a special counsel may, while so employed or retained, make a contribution, as defined in s. 11.0101 (8), to a candidate for state or local office. No individual who serves as an employee of the Commission and no individual who is retained by the Commission to serve as a special investigator or as special counsel, for 12 months prior to becoming so employed or retained, may have made a contribution, as defined in s. 11.0101 (8), to a candidate for a partisan state or local office.	Employees of the Commission are aware of the prohibition against making contributions to candidates for state or local office while employed by the Commission, and for making contributions to candidates for partisan state and local offices during the 12 months prior to employment with the Commission. However, the prohibition on employees making contributions to their own campaign for non-partisan local office may be unconstitutional.
19.49(2g)	In addition to the facial examination of reports and statements required under s. 11.1304 (9), the Commission shall conduct an audit of reports and statements which are required to be filed with it to determine whether violations of ch. 11 have occurred.	Staff conducts regular audits each calendar year and the Commission annually approves the audit schedule.
19.50	Except as specifically authorized by law and except as provided in sub. (2), no investigator, prosecutor, employee of an investigator or prosecutor, or member or employee of the Commission may disclose information related to an investigation or prosecution under ch. 11, subch. III of ch. 13, or this subchapter or any other law specified in s. 978.05 (1) or (2) or provide access to any record of the investigator, prosecutor, or the Commission that is not subject to access under s. 19.55 (3) to any person other than an employee or agent of the prosecutor or investigator or a member, employee, or agent of the Commission prior to presenting the information or record in a court of law.	Commissioners and staff maintain confidentiality of all applicable information.
19.55(1)	The Commission shall require an individual wishing to examine a statement of economic interests or the list of persons who inspect any statements which are in the Commission's possession to provide his or her full name and address, and if the individual is representing another person, the full name, and address of the person which he or she represents. Such Commission shall record and retain for at least 3 years information obtained by it pursuant to this subsection. No individual may use a fictitious name or address or fail to identify a principal in making any request for inspection.	The Commission complies with this requirement as applicable.

Statute	Language	Summary
19.55(2)(c)	Statements of economic interests and reports of economic transactions which are filed with the Commission by members or employees of the investment board, except that the Commission shall refer statements and reports filed by such individuals to the legislative audit bureau for its review, and except that a statement of economic interests filed by a member or employee of the investment board who is also an official required to file shall be open to public inspection.	Staff refers statements from SWIB employees and members to the legislative audit bureau when they are filed.
19.57	Conferences, visits, and economic development activities. The Wisconsin Economic Development Corporation shall file a report with the Commission no later than April 30 annually, specifying the source and amount of anything of value received by the Wisconsin Economic Development Corporation during the preceding calendar year for a purpose specified in s. 19.56 (3) (e), and the program or activity in connection with which the thing is received, together with the location and date of that program or activity.	WEDC provides these reports to the Commission, which are retained according to the standard records disposition authorizations.
19.575	Tourism Activities. The department of tourism shall file a report with the Commission no later than April 30 annually, specifying the source and amount of anything of value received by the department of tourism during the preceding calendar year for a purpose specified in s. 19.56 (3) (em) and the program or activity in connection with which the thing is received, together with the location and date of that program or activity.	The Department of Tourism provides these reports to the Commission, which are retained according to the standard records disposition authorizations.
19.851	(1) Prior to convening under this section or under s. 19.85 (1), the ethics Commission and the elections Commission shall vote to convene in closed session in the manner provided in s. 19.85 (1). The ethics Commission shall identify the specific reason or reasons under sub. (2) and s. 19.85 (1) (a) to (h) for convening in closed session. The elections Commission shall identify the specific reason or reasons under s. 19.85 (1) (a) to (h) for convening in closed session. No business may be conducted by the ethics Commission or the elections Commission at any closed session under this section except that which relates to the purposes of the session as authorized in this section or as authorized in s. 19.85 (1). (2) The Commission shall hold each meeting of the Commission for the purpose of deliberating concerning an investigation of any violation of the law under the jurisdiction of the Commission in closed session under this section.	The Commission complies with this requirement as applicable.
20.9305(2)(e)	The governor shall post on the Internet site maintained by the ethics Commission under s. 16.753 all of the following: 20.9305(2)(e)1. 1. A copy of any contingency fee contract entered into under this subsection and of the corresponding determination under par. (a) during the period beginning 5 days after the contract is entered into and ending when the contract and all of its extensions expire or are terminated. 2. Notice of the amount of any contingency fees paid under a contract entered into under this subsection during the period beginning 15 days after payment is made and ending 365 days after the payment is made.	The Commission complies with this requirement related to contract sunshine.

Statute	Language	Summary
49.857(2)	<p>(a) The department shall establish a system, in accordance with federal law, under which a licensing authority is requested, and a licensing agency or credentialing board is required, to restrict, limit, suspend, withhold, deny, refuse to grant or issue, or refuse to renew or revalidate a license in a timely manner upon certification by and in cooperation with the department, if the individual holding or applying for the license is delinquent in making court-ordered payments of support or fails to comply, after appropriate notice, with a subpoena or warrant.</p> <p>(b) Under the system, the department shall enter into a memorandum of understanding with a licensing authority, if the licensing authority agrees, and with a licensing agency.</p>	MOU in place with DCF for lobbyist license checks; checks are being conducted.
73.0301(2)	<p>Each licensing department and the supreme court, if the supreme court agrees, shall enter into a memorandum of understanding with the department of revenue under sub. (4) (a) that requires the licensing department or supreme court to do all of the following:</p> <p>73.0301(2)(a)1.</p> <ol style="list-style-type: none"> 1. Request the department of revenue to certify whether an applicant for a license or license renewal or continuation is liable for delinquent taxes. With respect to an applicant for a license granted by a credentialing board, the department of safety and professional services shall make a request under this subdivision. This subdivision does not apply to the department of transportation with respect to licenses described in sub. (1) (d) 7. 2. Request the department of revenue to certify whether a license holder is liable for delinquent taxes. With respect to a holder of a license granted by a credentialing board, the department of safety and professional services shall make a request under this subdivision. 	MOU in place with DOR for lobbyist license checks; checks are being conducted.
108.227(2)	<p>(a) Each licensing department and the supreme court, if the supreme court agrees, shall enter into a memorandum of understanding with the department of workforce development under sub. (4) (a) that requires the licensing department or supreme court to do all of the following:</p> <ol style="list-style-type: none"> 1. Request the department of workforce development to certify whether an applicant for a license or license renewal or continuation is liable for delinquent contributions. With respect to an applicant for a license granted by a credentialing board, the department of safety and professional services shall make a request under this subdivision. This subdivision does not apply to the department of transportation with respect to licenses described in sub. (1) (e) 7. 2. Request the department of workforce development to certify whether a license holder is liable for delinquent contributions. With respect to a holder of a license granted by a credentialing board, the department of safety and professional services shall make a request under this subdivision. 	MOU in place with DWD for lobbyist license checks; checks are being conducted.
778.135	<p>Campaign finance, lobbying, and ethics forfeitures; how recovered. Notwithstanding s. 778.13, whenever any action or proposed action by the elections Commission under s. 5.05 (1) (c) or the ethics Commission under s. 19.49 (1) (b) is settled as a result of agreement between the parties without approval of the court, the moneys accruing to the state on account of such settlement shall be paid to the Commission and deposited with the secretary of administration.</p>	Forfeitures received are transferred through the Department of Administration and the Bureau of Public Lands to the Common School Fund.

Appendix B: Nonpartisan Staff Policy

The staff of the Ethics Commission shall be nonpartisan pursuant to [WIS. STAT § 19.47\(10\)](#). Political neutrality is imperative so staff can maintain the confidence of the Commission, the individuals and organizations that the Ethics Commission regulates, and the public. Therefore, all staff members are prohibited from participating in any political activity that compromises the ability of that person to discharge with neutrality, efficiency, and integrity his or her duties and obligations to the Commission.

Employees who wish to participate in any political activities shall disclose their intentions to the Administrator. If the Administrator decides an employee's involvement may reasonably compromise the employee or the Commission, the Administrator will review the situation and make a determination as to whether the involvement in the political activity is appropriate. The Administrator may also authorize employees to participate in certain activities that have a business purpose consistent with the agency's mission, that have historical significance, or are merely collateral to a prohibited political activity.

Employees are strongly encouraged to consult with the Administrator prior to any activity that may be perceived as compromising the employee's ability to objectively perform their official responsibilities.

In addition to the provisions of WIS. STAT. § 230.40, prohibited activities include, but are not limited to the following:

1. Being a candidate for any partisan office (national, state, or local).
2. Being a member of any national, state, or local political party.
3. Directly or indirectly soliciting, receiving, or making contributions to any political party or partisan candidate for public office.
4. Soliciting votes in support of or in opposition to any party or partisan candidate for public office.
5. Circulating or signing nomination papers or petitions, including recall petitions, for partisan political office.
6. Serving as an agent of any political party or partisan candidate in any capacity (e.g., polling place observer, delegate, partisan poll worker, or get out the vote activities).
7. Publicly supporting or opposing a partisan candidate for public office or political party office in a political advertisement, broadcast, campaign literature, or similar material.

Seeking Elective Office

Any employee who wishes to run for partisan elective office must take an unpaid leave of absence effective from the time nomination papers can first be circulated, and must resign (or be terminated) if and when such nomination papers are filed.

Any employee who files a campaign registration statement to register as a candidate for partisan elective office prior to the time that nomination papers can first be circulated shall report that filing to the Administrator, who shall place the employee on unpaid leave until the nomination papers are filed or until the employee is no longer a candidate for partisan office.

In addition to avoiding partisan activities, staff should also avoid running for nonpartisan office if the Commission is the filing officer for that contest. This would put the staff member in the position of enforcing campaign finance regulations upon her or his own committee, or against potential opponents. Any employee seeking a nonpartisan office where the Commission is the filing officer is required to take an unpaid leave of absence from the time the employee files a campaign registration statement until the employee is no longer a candidate. If the employee is elected, the employee shall resign or be terminated.

Appendix C: Delegation of Authority for Informal Advisory Opinions Policy

The Ethics Commission is required by [WIS. STAT. § 19.47\(9\)\(a\)](#) to report adopted policies to the appropriate standing committees of the Legislature under [WIS. STAT. § 13.172\(3\)](#). At its March 7, 2017 meeting the Ethics Commission adopted a policy to authorize the Commission Administrator or his or her designee to issue an informal written advisory opinion, consistent with [WIS. STAT. § 19.46\(2\)\(b\)](#). That section of the statutes states the following:

(b)

1. *The commission may authorize the commission administrator or his or her designee to issue an informal written advisory opinion or transmit an informal advisory opinion electronically on behalf of the commission, subject to such limitations as the commission deems appropriate. Every informal advisory opinion shall be consistent with applicable formal advisory opinions issued by the commission, statute or other law, and case law.*
2. *Any individual may request in writing, electronically, or by telephone an informal advisory opinion from the commission under this paragraph. The commission's designee shall provide a written response, a written reference to an applicable statute or law, or a written reference to a formal advisory opinion of the commission to the individual, or shall refer the request to the commission for review and the issuance of a formal advisory opinion.*
3. *Any person receiving an informal advisory opinion under this paragraph may, at any time, request a formal advisory opinion from the commission on the same matter.*

Additionally, [WIS. STAT. § 19.46\(2\)\(a\)4](#) requires the Administrator to report the issuance of informal opinions to the Commission and the options the Commission may exercise upon receiving such a report:

4. *At each regular meeting of the commission, the commission administrator shall review informal advisory opinions requested of and issued by the administrator and that relate to recurring issues or issues of first impression for which no formal advisory opinion has been issued. The commission may determine to issue a formal advisory opinion adopting or modifying the informal advisory opinion. If the commission disagrees with a formal or informal advisory opinion that has been issued by or on behalf of the commission, the commission may withdraw the opinion, issue a revised formal or informal advisory opinion, or request an opinion from the attorney general. No person acting after the date of the withdrawal or issuance of the revised advisory opinion is exempted from prosecution under this subsection if the opinion upon which the person's action is based has been withdrawn or revised in relevant degree.*

Adopted Policy Delegating Authority to Issue Informal Opinions

1. The request for an informal opinion must be received in writing (e.g., email, or a typed or written letter).
2. The issuance of an informal opinion must be provided in writing (e.g., email, or a typed or written letter).
3. Every informal opinion issued shall be consistent with all applicable formal advisory opinions issued by the Commission, statute or other law, and case law as required by [WIS. STAT. § 19.46\(2\)\(b\)1](#); as well as United States and Wisconsin constitutional law.
4. The Commission Administrator, or the Staff Counsel upon delegation by the Administrator, may issue an informal opinion consistent with the policy adopted by the Commission

How to Request an Informal Advisory Opinion

We recommend that requests for informal advisory opinions explicitly state that an informal opinion is requested. Requesters should also provide as much detail as possible regarding the facts and circumstances related to the request to ensure that the opinion provided sufficiently addresses the matter. Requests can be directed to the Administrator or Staff Counsel, directly, or to the agency in general. Contact information for the Administrator, Staff Counsel, and the agency is available on our website here: <https://ethics.wi.gov/Pages/AboutUs/ContactUs.aspx>.

Appendix D: Campaign Finance Standard Settlement Schedule

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 settlement amounts for certain violations 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 settlements is secondary. The Commission adopted this schedule at its October 10, 2016 meeting.

Late Filing of Continuing Campaign Finance Reports

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

Filing deadlines are set by WIS. STAT. §§ 11.0204, 11.0304, 11.0404, 11.0504, 11.0604, 11.0704, 11.0804, and 11.0904. Penalties are set by WIS. STAT. § 11.1400. 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.

Late Filing of Pre-Primary, Pre-Election, and Special Post-Election Reports

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

Filing deadlines are set by WIS. STAT. §§ 11.0204, 11.0304, 11.0404, 11.0504, 11.0604, 11.0704, 11.0804, and 11.0904. Penalties are set by WIS. STAT. § 11.1400. 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.

Late Payment of Annual Filing Fees

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

Fees are set by WIS. STAT. § 11.0102(2). Penalties are set by WIS. STAT. § 11.1400(4). Maximum penalty is \$800.

Late/Incomplete Filing of 72-Hour Reports

Late/Incomplete Reporting	Settlement Amount:
5% of the total amount of unreported contribution	

Filing requirements for 72-hour reporting are set by WIS. STAT. §§ 11.0204(7), 11.0304(7), 11.0505, 11.0605, and 11.1001. Penalties are set by WIS. STAT. § 11.1400. Maximum penalty is \$500 for each reporting violation.

Incomplete Contribution Information

Calendar Days Late:	Settlement Amount:
Up to 30 days from staff contact	Warning
31+ days from staff contact	\$100 plus 10 percent of contributions with incomplete information

Reporting requirements are set by WIS. STAT. §§ 11.0204, 11.0304, 11.0404, 11.0504, 11.0604, 11.0704, 11.0804, and 11.0904. Penalties are set by WIS. STAT. § 11.1400. Maximum penalty is \$500 per reporting violation.

Cash Balance Discrepancies

Calendar Days Late:	Settlement Amount:
Up to 30 days from staff contact	Warning
31+ days from staff contact	\$100 plus 10% of discrepancy

Reporting requirements are set by WIS. STAT. §§ 11.0204, 11.0304, 11.0404, 11.0504, 11.0604, 11.0704, 11.0804, and 11.0904. Penalties are set by WIS. STAT. § 11.1400. Maximum penalty is \$500 per unreported transaction that led to the discrepancy.

Exceeding Contributions Limits

Violation Type:	Settlement Amount:
Receiving Excess Contribution	Amount of excess contribution
Furnishing Excess Contribution	If receiving committee forfeits full amount of excess contribution, \$0; else, case-by-case basis

Contribution limits are set by WIS. STAT. § 11.1101. Penalties are set by WIS. STAT. § 11.1400. Maximum penalties for the receiving committee are \$500, plus surrendering the amount of the excess contribution. Maximum penalties for the contributor are \$500 plus treble the amount of the portion of the contribution that exceeds the maximum. There shall be no violation if excess or improper contributions are 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).

Prohibited Corporate Contributions

Violation Type:	Settlement Amount:
Receiving Committee	1.5 times amount of contribution
Corporate Contributor	1.5 times amount of contribution

Corporate contributions are limited by WIS. STAT. § 11.1112. Penalties are set by WIS. STAT. § 11.1400(1) and (3). Maximum penalty for the receiving committee is \$500 plus surrendering the amount of the unlawful contribution. Maximum penalty for the corporate contributor is three times the amount of the contribution. There shall be no violation if excess or improper contributions are 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).

Prohibited Lobbyist Contributions

Violation Type:	Settlement Amount:
Receiving Committee	Return of the contribution to the lobbyist
Lobbyist Contributor	1.5 times amount of contribution, up to \$1,000

Lobbyist contributions are limited by WIS. STAT. § 13.625. Penalties are set by WIS. STAT. § 13.69(2). Maximum penalty for the receiving committee is \$1,000, plus surrendering the amount of the unlawful contribution. Maximum penalty for the lobbyist is \$1,000. Limitation on lobbyist contributions are set out in Chapter 13 but the settlement offer schedule is set out here. There shall be no violation if excess or improper contributions are 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).

Appendix E: Lobbying Standard Settlement Schedule

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. The Commission adopted this schedule at its October 10, 2016 meeting.

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

Late reporting of the first communication on a lobbying matter.

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

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. WIS. STAT. §13.69(2m) outlines the penalties for late reporting of lobbying activity. The maximum penalty is 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.

Appendix F: Statements of Economic Interests Standard Settlement Schedule and Waiver Policy

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, the Commission may 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. The Commission adopted this schedule at its October 10, 2016 meeting.

Filing of Statements of Economic Interests, WIS. STAT. § 19.43.

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 WIS. STAT. § 19.43(4).

Requests for Waivers under WIS. STAT. § 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).

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.

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, the recommended settlement amount will be \$100. This penalty will increase by \$100 every two weeks, up to a maximum of \$500. If any filer disputes the recommended settlement amount, the issue will be brought to the commission for a decision. In addition, 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.

Type of Official	Days Late	Result
Candidate	0+	N/A – Candidate denied ballot placement
Other Official	0-15	Warning
Other Official	16+	\$100 plus \$100 every 15 days
Other Official	30	Compensation temporarily withheld per § 19.43(7)

Standards for waiver of financial disclosure requirements

Introduction

Wisconsin’s Code of Ethics for State Public Officials requires approximately 2,500 state officials to file a Statement of Economic Interests on an annual basis. WIS. STAT. §§ 19.43 and 19.44. In general, the requirement applies to all state elected officials, top agency management, legislative service agency employees, and all gubernatorial appointments requiring Senate confirmation, as well as to candidates for state elective office.

The purpose of financial disclosure is twofold: (1) To give the public confidence that a state official is not acting in matters in which the official has a personal financial interest; and (2) To annually make an official think about the official’s economic ties so that the individual may avoid conflicts.

Nonetheless, WIS. STAT. § 19.43(8) provides that the Ethics Commission may waive any financial disclosure requirement:

WIS. STAT. § 19.43(8) On its own motion or at the request of any individual who is required to file a statement of economic interests, the commission may extend the time for filing or waive any filing requirement if the commission determines that the literal application of the filing requirements of this subchapter would work an unreasonable hardship on that individual or that the extension of the time for filing or waiver is in the public interest. The commission shall set forth in writing as a matter of public record its reason for the extension or waiver.

The Commission adopts and will apply the following considerations on a case-by-case basis in determining whether or not to grant a waiver of any disclosure requirement.

The position held by the official requesting a waiver.

Elected officials – Because such individuals generally exercise broad powers and in choosing whether or not to run for office an individual can take financial disclosure requirements into consideration, the Commission will closely scrutinize whether it will grant a waiver.

Full-time appointed officials – Because top management officials also exercise broad powers, albeit in narrower areas than elected officials, the Commission will closely scrutinize whether it will grant a waiver.

Part-time appointed officials – Part-time officials do not exercise the broad powers that elected and full-time officials do. They generally oversee Commissions with limited jurisdiction and are more likely than full-time officials to have other jobs and active business interests. Such individuals' service on state Commissions is a public service for which they receive little remuneration and, if disclosure would interfere with an individual's perceived ability to carry on the individual's private economic endeavors, it could lead to an unwillingness to serve.

Employees with limited decision making power – Some agencies, such as the Ethics Commission, The Elections Commission, the Wisconsin Economic Development Corporation, the Legislative Audit Bureau, and the Wisconsin Housing and Economic Development Authority, require all employees, or all non-clerical employees, to file a statement. These employees may have relatively little control over regulatory and financial matters, and waiver may present less of a threat to the public interest.

For any official, the Commission will weigh heavily the relationship between the official's governmental duties and the nature of the economic interests that the official does not want to disclose.

The importance of confidentiality with respect to the economic interest sought to be protected.

While the Code of Professional Conduct does not prohibit an attorney from disclosing clients on a Statement of Economic Interests lawyers are justifiably sensitive to this, especially with respect to clients where the official's representation is not generally known. The Commission will give great weight to this concern. Countervailing considerations to granting a waiver are: (1) whether a client engages in activity related to the official's regulatory responsibilities; and (2) the extent to which the official's representation is known to others.

For a start-up business or in a competitive business situation, the disclosure of customers may be detrimental. The Commission will give weight to this consideration, but the harm claimed should not be simply speculative.

It is unlikely that a relationship with non-Wisconsin entities could present a conflict of interest situation for an official. This appears to be recognized by WIS. STAT. §19.44 (1) (b) which

provides that an ownership interest in a company not doing business in Wisconsin is not required to be disclosed. The Commission will give great weight to this factor.

The Commission will give great weight to confidentiality requirements imposed by other sources of law.

The number of interests an official has.

If an official has a great many interests to report, reporting may create a heavy administrative burden on the official. Moreover, it may be that no particular customer, client, or business interest is important if an official has very many such interests. The Commission will consider this as a factor in determining whether to grant a waiver.

Conclusion

The Commission believes that waivers should be granted cautiously and rarely. No one is compelled to be a state public official – it is always voluntary and the reporting requirements should be known up front. On the other hand, it would be unfortunate if the reporting requirements discouraged an individual from entering public service or had a detrimental effect on an official's economic standing. The Commission views the above considerations as part of a sliding scale of factors. An applicant for waiver should be able to show that undue hardship is not simply speculative. And a requester should establish a showing of hardship by clear and convincing evidence. When the Commission grants a waiver, it will condition it on the requirement that an official recuse himself or herself from any matter that involves or impacts the entity that has not been disclosed whether or not a statutory conflict would otherwise exist.

Appendix G: Campaign Finance Auditing Schedule

Introduction

Following the implementation of the Campaign Finance Information System (CFIS) database in the fall of 2008, and 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.

Overview of Statutory Requirements

Audit Procedures

The Commission is required to audit campaign finance reports to check for violations under WIS. STAT. § 19.49(2g). The statute requires making note of the possible violation, and informing the committee of the issue, but does not detail procedures for resolving the possible violations.

(2g) AUDITING. In addition to the facial examination of reports and statements required under s. 11.1304 (9), the commission shall conduct an audit of reports and statements which are required to be filed with it to determine whether violations of ch. 11 have occurred. The commission may examine records relating to matters required to be treated in such reports and statements. The commission shall make official note in the file of a committee, as defined in s. 11.0101 (6), of any error or other discrepancy which the commission discovers and shall inform the person submitting the report or statement. The board [commission] may not audit reports, statements, or records beyond the 3-year period for which a committee must retain records under ch. 11.

Restrictions on Release of Records

The Commission is prohibited under [WIS. STAT. § 19.50\(1\)](#) from releasing or allowing inspection of certain records including, information related to an investigation or prosecution under Ch. 11, subch. III of Ch. 13, or subch. III of Ch. 19 or any other law specified in WIS. STAT. § 978.05(1) or (2). Under [WIS. STAT. § 19.55\(3\)](#), records not subject to inspection include anything obtained or prepared by the Commission in connection with an investigation, including the full text of any complaint received by the Commission. While audits are separated from the confidentiality provisions that specifically apply to complaints, they still may result in an investigation or prosecution, so past practice of the staff has been to release only very general information, such as the number of possible violations identified in an audit. Information identifying a committee, individual, violation, or settlement amount was released only if contained within a signed settlement agreement.

Overview of Audit Procedures

1. Staff will initiate an audit based on the schedule listed below. Some audits, like timely filing of campaign finance reports or payment of filing fees, will occur shortly after a report or payment is due. Others require more data analysis, and will occur as time permits.
2. When conducting an audit, staff will perform a global analysis of all committees or individuals subject to a particular law – for example, all committees required to report cash balances will be audited for cash balance discrepancies, and all candidates on the ballot during the previous election cycle will be audited for contribution limits violations.
3. Most data will be pulled from the CFIS database. For lobbying audits, data is also pulled from the Eye on Lobbying website, and for audits of contribution limit violations, staff will pull a list of candidates on the ballot in a specific election from WisVote.
4. Audit data and documents for each committee or person contacted will be saved on the Ethics Commission’s internal SharePoint site.
5. When possible violations are identified, staff will send out an initial communication to the committee or individual with a request to respond within 30 days. The initial communication will identify the issue and request that it be fixed, or that the committee or person admit that the violation occurred. The initial communication may reference the Ethic’s Commission standard settlement schedules and settlement amounts but will not include settlement agreements.
6. On an ongoing basis, staff will work with committees to correct erroneous reports. If a mistake is corrected, staff will close the audit for that committee or person.
7. Committees and persons admitting that a violation occurred will be added to the agenda for the next Commission meeting. Committees that wish to appear before the Commission through a written submission, by phone, or in person will be added to the agenda for the next Commission meeting.
8. Once 30 days have passed since the initial communication:
 - a. If the committee or person has not responded, staff will send a second communication with a reminder of the issue.
 - b. Staff will add the audit item to the audit database for tracking.
 - c. Staff will add the item to the agenda of the next Commission meeting to ask the Commission to issue a settlement agreement for the amount specified in the standard settlement schedule.
9. The Commission, at its next meeting, may direct staff to issue a settlement agreement or close the audit as appropriate for each committee or person. If the Commission has not already considered their case, the committee or person may request to appear before the Commission. Once a settlement offer is issued, the committee or person shall have 30 days to pay the settlement offer and sign the settlement agreement.

10. If the registrant or individual refuses to accept the Commission's settlement offer or does not respond, the Commission may direct staff counsel to commence a civil action to collect a forfeiture of at least the amount of the settlement offer.
11. The Commission 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 seek all incurred penalties and all reports, and may request the Commission to initiate a civil action if the registrant does not comply.
12. Commission staff will inform the Commission of all late reports, settlement offers, paid settlements and administrative suspensions, and will compile an annual summary for each calendar year.

Audit Planning for Fiscal Year 2018 (July 1, 2017 – June 30, 2018)

Termination Audits

Period: Up to three years from the date of the most recent election in which the committee participated through Termination

Start Date: Ongoing

Termination audits cover a number of issues, such as whether the committee has \$0 cash on hand, and \$0 in outstanding debts and loans, if there is an outstanding filing fee, whether there are cash balance discrepancies, and other issues. These audits are conducted on an ongoing basis as committees request to terminate. If time and other work priorities permit, staff will contact unsuccessful candidates and advise them of their options regarding continued reporting, exemption, and termination. Committees identified through this audit could be subject to any of the applicable sections of the Campaign Finance Settlement Schedule.

Campaign Finance Filing Fees

Period: Annually

Start Date: January 15

Annual filing fees are due the same date the January Continuing campaign finance report is due, between the 15th and 17th of January. Notices are sent by email approximately one month before the fee is due, and reminder emails are sent one week and one day before the deadline. Committees that have not paid are contacted within a few days of the deadline. Committees identified through this audit could be subject to section three of the Campaign Finance Settlement Schedule (Late Payment of Annual Filing Fees).

Timely Filing of Campaign Finance Reports

Period: Each Required Campaign Finance Report

Start Date: Each Filing Deadline

Notices to file campaign finance reports are sent by email approximately one month before the report is due, and reminder emails are sent one week and one day before the deadline. Committees that have not filed are contacted the day after the deadline (for election related reports) or within a few days of the deadline (for continuing reports). Committees identified through this audit could be subject to section one or two of the Campaign Finance Settlement Schedule (Late Filing of Continuing Campaign Finance Reports / Late Filing of Pre-Primary, Pre-Election, and special Post-Election Reports).

Pending Transactions Audit

Period: Each Required Campaign Finance Report

Start Date: Each Filing Deadline

Committees have the ability to save transactions in the CFIS website, and file them all together when a continuing report or election related report is due. If a committee saves a transaction but does not file it, it is visible to staff, but not visible on the official report available to the general public. Staff generally does an audit of pending transactions as soon as all reports are officially filed in the CFIS database, since unfiled transactions may impact all of the other audit results. Committees are given 30 days to respond to the initial staff contact and file the pending transactions, or delete them if they are duplicates. Committees identified through this audit could be subject to section six of the Campaign Finance Settlement Schedule (Cash Balance Discrepancies).

Cash Balance Audit

Period: Each Required Campaign Finance Report

Start Date: Each Filing Deadline

If a committee has a discrepancy of \$100 or more within a report, or between the ending balance and beginning balance of subsequent reports, staff will contact the committee and ask for a resolution within 30 days. Committees identified through this audit could be subject to section six of the Campaign Finance Settlement Schedule (Cash Balance Discrepancies).

Corporate Contribution Audit

Period: Semiannually

Start Date: March and September, following each continuing report

Once a year, staff audits CFIS for contributions to candidates, party committees, legislative campaign committees, or PACs from businesses to check for unlawful corporate contributions. We also audit for contributions labeled as coming from individuals containing business identifiers like “Corp,” “Inc,” or “LLC.” Committees that appear to have received unlawful

contributions are contacted and asked to respond within 30 days. Committees identified through this audit could be subject to section eight of the Campaign Finance Settlement Schedule (Prohibited Corporate Contributions).

Lobbyist Contribution Audit

Period: Annually

Start Date: March

Once a year, staff compares a list of campaign contributions to partisan candidates with a list of registered lobbyists. If any matches are found, staff checks to see if the contribution was given before the lobbyist registered or after they surrendered their license. Staff also checks for returned contributions and attempts to eliminate false matches based on people with the same name from different cities. Lobbyists who appear to have made unlawful contributions are contacted and asked to respond within 30 days. Committees identified through this audit could be subject to section nine of the Campaign Finance Settlement Schedule (Prohibited Lobbyist Contributions).

Name/Address/Occupation Information Audit

Period: Semiannually

Start Date: April and October following each continuing report

The new law effective January 1, 2016 requires committees collecting non-anonymous contributions of any amount report the name and address of the contributor. Committees must also report the occupation of any contributor giving more than \$200 in a calendar year. In order to allow time for committees to become familiar with current requirements, 2018 will be the first time staff will conduct this audit since the new campaign finance laws were enacted. Staff will audit for individual contributions missing the required information, and contact committees where there are five or more incomplete contributions in a six-month period and those incomplete transactions account for five percent or more of the reported transactions. Committees identified through this audit could be subject to section five of the Campaign Finance Settlement Schedule (Incomplete Contribution Information)

Contribution Limits Audit – Spring/Fall

Period: Annually/Biannually

Start Date: Following April after April Election/August after November Election

The campaign period for spring candidates (judges) runs until July 31. Therefore, the final report of the campaign period is the January Continuing Report of the following year. The campaign period for fall candidates runs until the first Tuesday in January. Therefore, the final report of the campaign period is July Continuing Report of the following year.

After all reports from those periods are entered, and annual audits have been started, staff audit the campaign period for each office for violations of the contribution limits by individuals or committees. Staff conducts an annual audit of the \$12,000 annual contribution limit to parties

and segregated funds at the same time as the audit of the spring election cycle from the previous year.

Independent Expenditure Reporting/72 Hour Reporting Audit

Period: Annual or Semiannual

Start Date: September after April Elections and May after November Elections

For spring elections, after the July report is filed, the 72-hour reporting by candidates and parties can be compared to the committees' regular reports. For fall elections, this would be possible after the January report is filed. Staff will examine transactions occurring within 60 days of a primary or election. This may involve collecting information from TV stations, radio stations, and newspapers, and comparing that spending to the reports from registered committees and reports from unregistered IEs of over \$2,500 in expenses. Any violations would be subject to section four of the Campaign Finance Settlement Schedule.

Appendix H: Lobbying Auditing Schedule

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.

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...

Staff conducts an audit to ascertain which principals do not meet the deadline.

Period: Each Required Statement of Lobbying Activities and Expenditures Report

Start Date: Each Filing Deadline

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 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.

Period: Each Required Statement of Lobbying Activities and Expenditures Report

Start Date: Each Filing Deadline

“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.

Period: Each Required Statement of Lobbying Activities and Expenditures Report

Start Date: Each Filing Deadline

Limited Lobbying Audit

Typically, 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 anticipate having only an exceptionally 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.

Period: Each Calendar Year

Start Date: Following each January filing deadline

Appendix I: Complaints and Investigations Procedures

The procedures outlined below are intended to comply with and implement the statutes and administrative rules governing the processing and resolution of complaints filed with the Ethics Commission. Staff originally presented to the Commission an outline of proposed complaint procedures at its October 10, 2016 meeting, following the advice and recommendations of the public and the Commission members staff has revised the below procedures to better track statute and Commission recommendations. These procedures make use of the Complaint Tracking Database created in SharePoint, which contains separate tracking mechanisms for complaints and audits handled by Commission staff.

Complaint Intake

1. A complaint may be received by paper, or electronically. When received as a paper (mailed or in-person) Front Desk staff shall forward the complaint to the Commission Administrator (“Administrator”) and Staff Counsel (“Counsel”). Any other member of the staff that receives a complaint shall forward those to the Administrator and Counsel.

If the Administrator and Counsel are unavailable to receive a complaint filed in-person, a staff person receiving a complaint in-person should review the complaint to ensure it meets the applicable standards (see Step 2) and that all referenced exhibits are attached. If there appears to be any insufficiency, staff shall notify the person delivering the complaint of the insufficiency, but keep possession of the original complaint.

2. Regardless of the form of the submission, the Administrator or Counsel shall determine whether it constitutes a sworn complaint. A valid complaint should:
 - a. List a named complainant with contact information
 - b. List a named respondent with contact information
 - c. Contain allegations of violations within the jurisdiction of the commission
 - d. Be sworn under oath before a notary

~~3.~~ Complaints will be entered into the Complaint Tracking Database. The Ethics Commission portal of the Database is intended to track complaints under the Commission’s jurisdiction as well as submissions relating to matters outside of its jurisdiction.

4. If the submission constitutes a sworn complaint to be included in the Database, the Administrator or staff, at the direction of the Administrator, shall
 - a. Create a record in the Complaint tracking list entering all required fields.
 - i. Complaint ID shall be entered in the form: YYYY-ETH-[3 digit sequential number] (e.g., 2017-ETH-001 for the first complaint of 2017)
 - ii. Required fields include Complaint ID, complainant, respondent, date received, and short summary of the allegations.

1. Any person may file a complaint if he or she believes a violation of [Ch. 11](#), [Ch. 13 Subch. III.](#), or [Ch. 19 Subch. III](#) of the Wisconsin Statutes has occurred or is occurring.¹ Neither the Commission nor any member or employee of the Commission, including the Commission administrator, may file a sworn complaint.²
 - a. A complaint must comply with certain requirements. **It must:**
 - i. Provide the full name and address of the person filing the complaint (called the complainant); and
 - ii. Be signed and sworn.
 - b. in order for a complaint to be considered complete and proper, it **should:**
 - i. Clearly recite the facts that show specific violations under the Commission's jurisdiction (citations to the law and/or regulations are valuable);
 - ii. Clearly identify each person, committee or group that is alleged to have committed a violation (called the respondent[s]);
 - iii. Include any documentation supporting the allegations, if available; and
 - iv. Differentiate between statements based on the complainant's (the person who files the complaint) personal knowledge and those based on information and belief. Statements not based on personal knowledge should identify the source of the information.
2. The Administrator reviews each complaint to determine whether it states a violation within the jurisdiction of the Commission and satisfies the above criteria for a proper complaint. If the complaint does not meet these requirements, the Administrator notifies the complainant of the deficiencies.
 - a. Non-jurisdictional & Local Complaints
 - i. Within five (5) days of receiving a complaint, the Administrator or Staff Counsel shall determine whether the complaint involves a matter outside of the agency's jurisdiction or pertains to a local matter. In either case, the Administrator will assign a staff member to generate an email or letter advising the complainant: (1) that the agency does not have jurisdiction regarding the matter, and informing the complainant of any other governmental agency that may be able to assist with the matter, if that information is known; or (2) that the matter should be addressed to a District Attorney. Standardized communications may be utilized to resolve matters outside of the Commission's jurisdiction. Staff assigned to the matter shall attach the complaint and may attach the closing correspondence to the complaint record in the database.
 - b. Jurisdictional Complaints
 - i. Within five (5) days of receipt of a complaint that is within the jurisdiction

¹ WIS. STAT § 19.49(2)(b).

² WIS. STAT § 19.49(2)(a).

of the Ethics Commission, staff will verify the receipt of the sworn complaint to the complainant and responding party. Before voting on whether to take any action regarding the complaint, other than to dismiss, the commission shall give each person receiving a notice an opportunity to demonstrate to the commission, in writing and within 15 days after receiving the notice, that the commission should take no action against the person on the basis of the complaint.³

- ii. A respondent who is or intends to be represented by legal counsel should inform the Commission by sending a statement regarding the designation of counsel, including the name and address of the individual(s).

3. Initial Vote to Proceed (Reasonable Suspicion Inquiry)

- a. Each complaint that is assigned to Counsel or other staff will be submitted to the Commission with recommendations on whether or not there is "reasonable suspicion" that the respondent has committed or is committing a violation of the law.⁴⁵⁶ The Commission makes the final decision by voting for or against a "reasonable suspicion" determination or otherwise terminating the complaint. (Four affirmative votes are required to go forward with any enforcement action). In making this determination, the Commissioners may consider the complaint, the respondent's reply, available information on the public record and the staff's analysis and recommendations.
- b. If the Commission fails to find "reasonable suspicion" that a violation has occurred or is occurring with respect to all of the allegations, or if the Commission dismisses the matter for other reasons, the case is closed, and the parties involved are notified.⁷ If, on the other hand, the Commission finds that there is "reasonable suspicion" that the respondent has violated or is violating the law, the Commission may either authorize an investigation via resolution or enter directly into settlement negotiations by the same.⁸

³ WIS. STAT. § 19.49(2)(b).

⁴ The assigned staff member or Staff Counsel shall analyze the facts and relevant law, and determine the proper outcome or resolution, consulting with the Administrator as necessary, and present those findings to the Commission.

⁵ "Reasonable suspicion" has been defined as "specific and articulable facts which, taken together with rational inferences from those facts, reasonably warrant that intrusion." *Terry v. Ohio*, 392 U.S. 1 at 21.

⁶ Reasonable suspicion findings indicate only that the Commission either found or failed to find sufficient legal justification to open an investigation to determine whether a violation of the law has occurred, and not a definitive determination that a respondent violated any provision of the law.

⁷ WIS. STAT. § 19.50(2)(c) specifically allows for the release of "communications made to the attorney of an investigator, prosecutor, employee, or member of the Commission or to a person or the attorney of a person who is investigated or prosecuted by the Commission ."

⁸ WIS. STAT. § 19.49(1)(b) The Commission may compromise and settle any civil action or potential action brought or authorized to be brought by it which, in the opinion of the Commission, constitutes a minor violation, a violation

- i. When a complaint is designated for settlement, the Administrator shall assign it to a staff member and/or Counsel for processing and resolution.
- ii. If the complaint is designated for an investigation by resolution, the resolution shall specifically set forth any matter that is authorized to be investigated.⁹
- iii. To assist in the investigation, the Commission may elect to retain a special investigator. If the Commission elects to retain a special investigator, the Administrator shall submit to the Commission the names of three (3) qualified individuals to serve as a special investigator.¹⁰
- iv. If the Commission retains a special investigator to investigate a complaint against a person who is a resident of this state, the Commission shall provide to the district attorney for the county in which the person resides a copy of the complaint and shall notify the district attorney that it has retained a special investigator to investigate the complaint.¹¹

Formal Investigation Procedures

1. The goal of the formal investigation stage is to determine whether the Commission can make a finding that probable cause exists to believe that one or more violations under have occurred or are occurring, together with a recommended course of action.
 2. Reports to Commission¹²
 - a. Special Investigators: Each special investigator who is retained by the Commission shall make periodic reports to the Commission, as directed by the
-

caused by excusable neglect, or which for other good cause shown, should not in the public interest be prosecuted under such chapter.

⁹ WIS. STAT. § 19.49(2)(b) 3.

¹⁰ Id.

¹¹ Id.

¹² WIS. STAT. § 19.49(2)(b) 4

Commission, but in no case may the interval for reporting exceed 30 days.

- b. Administrator: If the Commission authorizes the Administrator to investigate any matter without retaining a special investigator, the Administrator shall make periodic reports to the Commission, as directed by the Commission, but in no case may the reporting interval exceed 30 days.

3. Investigation Review¹³

- a. During the pendency of any investigation, the Commission shall meet for the purpose of reviewing the progress of the investigation at least once every 90 days. The special investigator or the Administrator shall report in person to the commission at that meeting concerning the progress of the investigation. If, after receiving a report, the Commission does not vote to continue an investigation for an additional period not exceeding 90 days, the investigation is terminated at the end of the reporting interval.
- b. The Commission shall not expend more than \$25,000 to finance the cost of an investigation before receiving a report on the progress of the investigation and a recommendation to commit additional resources.
- c. The Commission may vote to terminate an investigation at any time. If an investigation is terminated, any complaint from which the investigation arose is deemed to be dismissed by the Commission.
- d. The Commission may close any complaint, at any time, for other cause within its discretion.

4. Probable Cause Determination¹⁴

- a. Unless an investigation is terminated by the Commission, at the conclusion of each investigation, the Administrator shall present to the Commission one of the following:
 - i. A recommendation to make a finding that probable cause exists to believe that one or more violations have occurred or are occurring, together with a recommended course of action.
 - ii. A recommendation for further investigation of the matter together with facts supporting that course of action.
 - iii. A recommendation to terminate the investigation due to lack of sufficient evidence to indicate that a violation has occurred or is occurring.
- b. At the conclusion of its investigation, the Commission shall, in preliminary written findings of fact and conclusions based thereon, make a determination of whether or not probable cause exists to believe that a violation has occurred or is occurring. If the Commission determines that no probable cause exists, it shall

¹³ Id.

¹⁴ Id.

dismiss the complaint.¹⁵

- i. Whenever the Commission dismisses a complaint or a complaint is deemed to be dismissed for other reasons, the Commission shall immediately send written notice of the dismissal to the accused and to the party who made the complaint.
- ii. The Commission shall inform the accused or his or her counsel of exculpatory evidence in its possession.

5. Post-Probable Cause Finding

- a. If the Commission finds that there is probable cause to believe that a violation has occurred or is occurring, the Commission may authorize the Administrator to do one of the following:¹⁶
 - i. File a civil complaint against the alleged violator.
 - ii. Request the assistance of special counsel to file a civil complaint and prosecute the action brought by the Commission. If the Administrator requests the assistance of special counsel with respect to any matter, the Administrator shall submit to the commission the names of three (3) qualified individuals to serve as special counsel. The Commission may retain one of the individuals to act as special counsel.
 - iii. Refer the matter to an appropriate district attorney or Attorney General.¹⁷
- b. If a special investigator or the Administrator, in the course of an investigation authorized by the Commission, discovers evidence outside the scope of the original investigation or jurisdiction of the Commission, the Commission may thereupon authorize the investigation of the additional conduct or if outside the jurisdiction of the Commission, refer the matter to an appropriate district attorney or the Attorney General.¹⁸

Post Complaint Action

1. Throughout the processing of the complaint, the assigned staff member or Staff Counsel shall document the status and significant information regarding the complaint in the Complaint Tracking Database. This shall include completing the data fields indicating the status of the complaint, the source of the complaint, the subject category, and subcategory of the complaint, forfeiture and resolution information, and any additional comments. The dismissal letter, settlement agreement, or other communication resolving the matter may be attached to the complaint record in the Database. Assigned staff or Staff Counsel

¹⁵ WIS. STAT. §§ 19.49(2)(b) 7 and 8.

¹⁶ WIS. STAT. §§ 19.49(2)(b) 5 and 9.

¹⁷ WIS. STAT. § 19.49(2)(b) 13 and 14 provide special procedures should a district attorney decline to prosecute a potential violation.

¹⁸ WIS. STAT. §§ 19.49(2)(b) 11 and 12 provide the procedures for amending and authorizing the review of matters outside the original investigation and the referral of matters outside the Commissions jurisdiction respectively.

shall also be responsible for maintaining the electronic and paper files for said complaints.

2. The Administrator shall review the status of open complaints on at least a bi-weekly basis to monitor the progress of complaint resolution. The Administrator or designated staff member shall also prepare a summary report for each Commission meeting regarding the status of complaint files that are open or that have been closed since the previous Commission meeting.

Appendix J: Commission Chair and Vice-Chair Terms and Vacancies

Officer Positions of the Ethics Commission

Wisconsin Statutes require the Commission to select a Chair. The process for selecting a Chair for the Ethics Commission is governed by [Wis. STAT. § 15.06\(2\)\(b\)2](#), which reads:

The chairperson of the ethics commission shall be chosen from the members appointed under s. 15.62(1)(a)1. to 4. by affirmative vote of at least two-thirds of the commission members at the commission's first meeting every 2 years. The chairperson shall serve a 2-year term. The first chairperson shall be chosen from the commissioners affiliated with the same major political party. The major political party from which to select the first chairperson shall be determined by lot. The 2nd chairperson shall be chosen from the commissioners affiliated with the other major political party. Each subsequent chairperson shall be chosen from the commissioners affiliated with the 2 major political parties on a rotating basis.

The Chair of the Ethics Commission is responsible for leading each meeting of the Commission.

The Ethics Commission also established an officer position of Vice-Chair, to be selected from the opposite party of the Chair. The Vice-Chair is responsible for signing the minutes of each meeting of the Commission. The Vice-Chair may also lead a meeting of the Commission during a temporary absence of the Chair.

The Chair and Vice-Chair are jointly responsible for determining the agenda of each Commission meeting, in collaboration with the Administrator.

Terms of Commission Officers and Procedures for Addressing Vacancies

The Ethics Commission has established that each party will retain the position of Chair or Vice-Chair for a full two year term. Each term shall begin on July 1 of even numbered years. After each term, the parties will switch retention of officer positions. Upon a vacancy in either the Chair or Vice-Chair positions, the Commission shall elect a successor to serve out the remainder of the term from the members appointed by the same party.



Wisconsin Ethics Commission

Campaign Finance | Lobbying | Ethics
212 East Washington Avenue | Third Floor | P.O. Box 7984 | Madison, WI 53707-7984
(608) 266-8123 | ethics@wi.gov | <https://ethics.wi.gov>

DATE: For the August 22, 2017 Meeting

TO: Members, Wisconsin Ethics Commission

FROM: Brian M. Bell, MPA
Commission Administrator

SUBJECT: Calendar Year 2018 Potential Meeting Dates

The Ethics Commission is required by [WIS. STAT. §15.06\(5\)](#) to meet in person at least four times each year. In developing recommend meeting dates, the staff considered several factors. Potentially the most influential factors are the deadlines for filing various reports, and the timelines outlined in the Ethics Commission's standard settlement schedules. Staff also considered primary and election dates and state holidays.

By comparison, the Government Accountability Board typically met six times in even-numbered years, but they also had election-related matters to address. Based on these considerations, the staff is recommending five meeting of the Ethics Commission in calendar year 2018. The proposed meeting dates (all Tuesday meetings) and planned agenda items are as follows:

1. **February 27, 2018** (January Continuing Reports, Spring Pre-Primary Reports, and SEIs for newly elected officials)
2. **April 24, 2018** (Spring Pre-Elections Reports, and SLAEs for July 1, 2017 – December 31, 2017)
3. **June 19, 2019** (Annual SEI Filings, Election of new Commission Officers)
4. **August 21, 2018** (July Continuing Reports, Fall Pre-Primary Reports, SLAEs for January 1, 2018 – June 30, 2018, 2019-2021 Biennial Budget, Agency Annual Report)
5. **December 4, 2018** (September Reports, Fall Pre-Election Reports)

For discussion purposes the table on the following page provides a list of dates considered in proposing the suggested meeting dates.

Recommended Action: The Commission adopts the proposed 2018 meeting schedule as presented in this memo, or adopts a modified meeting schedule for calendar year 2018.

Wisconsin Ethics Commissioners

Mac Davis | David R. Halbrooks | Katie McCallum | Pat Strachota | Timothy Van Akkeren | Jeralyn Wendelberger

Calendar Year 2018 Potential Meeting Dates

For the August 22, 2017 Meeting

Page 2 of 2

Date	Event
January 15	Martin Luther King, Jr. Day
January 16	January Continuing Report due
January 23	SEIs due for newly elected officials
January 31	SLAEs due
February 6	Spring Pre-Primary Report due
February 15	January Continuing Report due +30 days
February 20	Spring Primary held
March 5	SLAE due +30 days
March 20	Spring Pre-Election Report due
April 3	Spring Election held
April 30	Annual SEIs Due
May 28	Memorial Day
May 30	Annual SEIs due +30 days
July 4	Independence Day
July 16	July Continuing Report due
July 31	SLAEs due
August 14	Fall Primary held
August 15	July Continuing Report due +30 days
August 30	SLAEs due +30 days
September 3	Labor Day
September 17	Biennial Budget due to DOA
September 25	September Reports due
October 15	Agency Annual Report due
October 23	Fall Pre-Election Report due
November 6	Fall Election held
November 12	Veterans Day (Observed)
November 23	Thanksgiving Day
December 24	Christmas Eve Day
December 25	Christmas Day
December 31	New Year's Eve Day



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 22, 2017 Meeting

TO: Members, Ethics Commission

FROM: Brian M. Bell, MPA
Commission Administrator

SUBJECT: Ethics Commission Staff Report

Legislative Updates

Act 39 (Senate Bill 100)

This act specifies that scope statements expire 30 months after being published in the Administrative Registrar, and that an agency may not submit a proposed rule to the Legislature for review after the scope statement expires. Scope statements published before this bill was enacted will expire 30 months after the effective date of this act (on February 2, 2020). This will impact our agency's administrative rulemaking process, as well as reporting on lobbying related to the administrative rulemaking process.

Act 57 (Senate Bill 15)

This act makes several changes to the administrative rulemaking process. The act requires scope statements for proposed administrative rules to be reviewed by the Department of Administration for a determination of an agency's authority to promulgate a rule; requires agencies to hold preliminary public hearings and comment periods on scope statements for rules if directed to do so by the Joint Committee for Review of Administrative Rules (JCRAR); requires the passage of a bill in order for an agency to promulgate a rule that would result in implementation and compliance costs of \$10 million over any two-year period, subject to certain exceptions; allows either a cochairperson of JCRAR, with approval from the committees on senate organization and assembly organizations, at certain steps in the rule-making process, to request the preparation of an independent economic impact analysis for a proposed rule; and allows JCRAR to make an indefinite objection to a proposed rule to prevent the agency from promulgating the rule. This act will take effect on September 1, 2017.

Attorney General Opinion Requests

On August 4, 2017, staff received a verbal update from Charlotte Gibson, Unit Director of the Special Litigation and Appeals Unit, in regard to the two pending requests for an Attorney General Opinion. The request regarding the ability of a candidate committee to claim exemption

Wisconsin Ethics Commissioners

Mac Davis | David R. Halbrooks | Katie McCallum | Pat Strachota | Timothy Van Akkeren | Jeralyn Wendelberger

from campaign finance reporting in the year the candidate appears on the ballot is still being evaluated by Department of Justice management. The second opinion request was in regards the constitutionality of [WIS. STAT. § 13.68\(6\)](#) and the ability of the Commission to suspend a lobbyist's ability to lobby on behalf of a principal as a result of the principal failing to file reports in a timely fashion. Ms. Gibson reports that the attorney responsible for drafting this opinion had previously been tied up in litigation, but would begin drafting the opinion on August 7. After the opinion is drafted, it must then be reviewed and approved by Department of Justice management.

Krueger v. Appleton Area School District (2017 WI 70)

On June 29, 2017, the Wisconsin Supreme Court issued an opinion reversing the decision of the court of appeals that affirmed the circuit court's summary judgement in favor of the Appleton Area School District. The circuit court had originally concluded that a curriculum review committee formed by the head of the district's Assessment, Curriculum, and Instruction Department was not a "governmental body" under the open meetings law. The Wisconsin Supreme Court held that as the committee was formed pursuant to the authority of a school board rule, it met the definition of a "governmental body" and was subject to the open meetings law.

The Ethics Commission does not currently have any similar committees, but the Commission should be aware that this opinion signals a change in the current understanding of what constitutes a "governmental body" under the open meetings law and as such any formal or informal directive that creates a body and assigns duties to the body could make such a body subject to the open meetings law.

Commission Administration

Accepting Credit Card Payments

Credit card payments are now available for the lobbying program. The process was made available on April 18, 2017. Since then there have been 83 transactions completed using credit card payment, which equates to 55 percent of lobbying transactions between April 18, 2017 and August 10, 2017.

Campaign Finance

2017 July Continuing Reports

There were 848 committees required to file the 2017 July continuing report. And 773 (91 percent) were filed by the reporting deadline. As of August 8, 2017, there are currently 40 committees which have not yet filed the report, and 35 which have filed late. All committees have filed their reports electronically

2018 January Continuing Reports

All registered committees not on exempt status (approximately 868 committees) will be required to file the 2018 January continuing report by January 16, 2017 (the 15th falls on Martin Luther

King, Jr. Day). The reports will include all activity since the previously filed report through December 31, 2017.

CFIS Updates

Staff continues to work with PCC (the software vendor) to remove GAB references from CFIS and make other modification to CFIS to address a number of minor technical issues.

Updating Campaign Finance Forms and Email Templates

Staff is currently working to update all campaign finance forms. We have completed a thorough review of the new campaign finance laws in chapter 11 of Wisconsin Statutes, as well as considered information that would assist staff with conducting audits. These new forms should also help local filing officers collect more complete and accurate information. As soon as each form is updated, it will be posted on the agency website. These updated forms will also be helpful as the agency looks to modernize the campaign finance online application.

Staff has also updated all of the email templates that are used in CFIS to provide access to updated training materials, provide more clear instructions, and remove all GAB references.

Lobbying

Eye On Lobbying Manuals

User and administrative manuals were completed on June 26, 2017. The [Eye on Lobbying User's Guide](#) is the main tool lobbyists use for questions about the website. An introductory lobbying law "basics" guide has been added as initial lobbyist support regarding reporting.

The administrative manual is used to train new Commission staff, and to help staff less familiar with the administrative capabilities quickly navigate necessary information, as well as establishing standard operating procedures for staff.

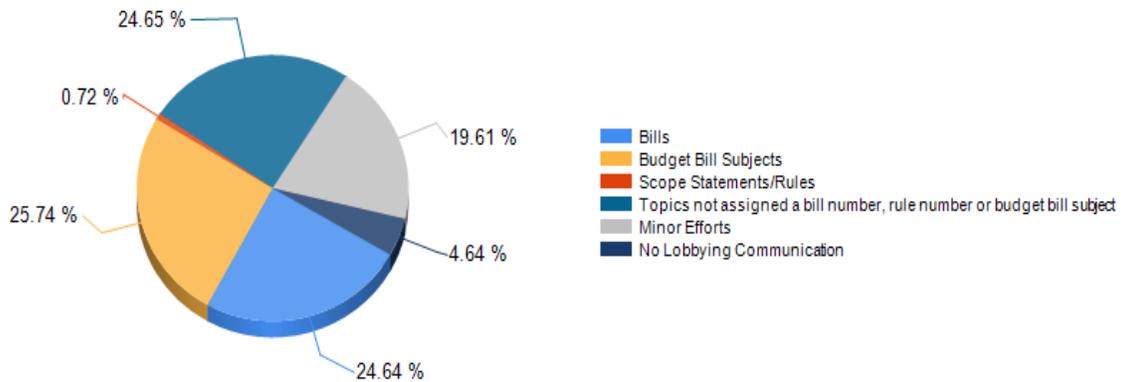
Principal Registration, Lobbyist Licensing, and Authorizations for the 2017-2018 Session

As of August 10, 2017, there were 704 lobbying principals registered, 565 lobbyists licensed, and 1,503 lobbyists authorizations completed for the 2017-2018 Legislative Session.

SLAE Period 1: January 1 to June 30, 2017

The first Statement of Lobbying Activities and Expenditures (SLAE) for the 2017-2018 session was due by July 31, 2017 and covered lobbying between January 1 and June 30, 2017. Historically, this reporting period is the most active period of the session due to the state budget. As of August 2, 2017, all lobbying principals submitted their reports. Nine principals filed one day late, and 10 principals filed two days late. The other 684 principals (97.3 percent) filed on or before the filing deadline. Please see the summary tables below for SLAE related statistics.

2017-2018 Legislative Session Focus on Lobbying Interests



Top Ten Biggest Spenders Dollars, Hours and Totals

Principal Name	Dollars	Hours
Wisconsin Manufacturers & Commerce	\$407,765	2,796
Wisconsin Hospital Association	\$328,460	1,886
Transportation Development Association	\$321,912	41
Wisconsin Property Taxpayers Inc	\$257,196	3,031
Wisconsin Farm Bureau Foundation	\$244,377	979
Wisconsin Realtors Association	\$234,885	1,828
Marsy's Law for Wisconsin, LLC	\$232,520	407
AT&T Wisconsin	\$196,387	761
Wisconsin Counties Association	\$189,347	2,339
Wisconsin Insurance Alliance	\$185,984	576
All Principals Total	\$18,835,912	120,222

Top Ten Most Lobbied Budget Bill Subjects

Budget Bill Subject	Hours
Health Services: Medicaid Services	4,154
Transportation: Transportation Finance	2,678
Public Instruction: Categorical Aids	2,079
Shared Revenue and Tax Relief: Property Taxation	1,883
Natural Resources: Environmental Quality	1,218
Public Instruction: Choice, Charter, and Open Enrollment	1,045
Public Instruction: Administrative and Other Funding	902
Agriculture, Trade and Consumer Protection	864
Public Instruction: School District Operations	838
Health Services: Mental Health, Public Health, Other Programs	779
Total All Budget Bill Subjects	30,940

Top Ten Most Lobbied Bills

Bill	Relating To:	Hours
SB 48	Eliminating the personal property tax and making an appropriation	1,295
AB 277	Lead service line replacements	1,257
SB 218	Eliminating the personal property tax and making an appropriation	1,033
AB 348	Limiting the authority of the state and political subdivisions to regulate wireless facilities and authorizing political subdivisions to impose setback requirements for certain mobile service support structure.	990
SB 76	Replacement, reconstruction, and transfer of an approved high capacity well, recommendation of special groundwater measures by the Department of Natural Resources, and metering requirements and grants for certain high capacity wells	910
AB 260	Physical examinations conducted by chiropractors; performance of medical examinations by chiropractors for the Federal Motor Carrier Safety Administration; chiropractic acupuncture and chiropractic dry needling; delegation of certain services by a chiropractor; modifying various administrative rules promulgated by the Chiropractic Examining Board; and granting rule-making authority	746
AB 386	Property Tax Assessments based on comparable sales and market segments	564
AB 387	Property tax assessments regarding leased property	549
SB 216	Elimination of the requirement that laborers, workers, mechanics, and truck drivers employed on the site of a project of a public works be paid prevailing wage	473
AB 296	Elimination of the requirement that laborers, workers, mechanics, and truck drivers employed on the site of a project of a public works be paid prevailing wage	399
Total	All Bills	29,625

Legislative Liaison Reporting

Each state agency was required to certify their agency legislative liaison report by July 31, 2017. As of August 10th, 4 agencies have not yet certified. The next reporting deadline is January 31st.

Code of Ethics and Financial Disclosure

Design of a new SEI system

Staff continues to work on the development of the new application for statements of economic interest reporting. Kavita has developed screens for agency users, including entry of positions required to file. She is currently developing data entry screens for officials required to file SEIs.

The staff has also been working with UW System and the State Courts System on MOUs that will allow those organizations to use our new online system for their disclosure requirements. There is significant overlap between those who file a disclosure report with their organizations and with our agency. Both have adopted a version of our form with a slightly modified confirmation statement. These MOUs will streamline filing for those impacted, as well as reduce

the work effort required by all organizations involved, including the Ethics Commission. The MOU with the UW System is completed and signed. The MOU with the Courts System is still in draft and under discussion.

Statements of Economic Interests

As of August 10, 2017, there were 2,471 officials required to file an SEI in 2017. The 2016 annual SEI filing was due by May 1, 2017. As of July 24, 2017, all officials required to file have done so and the reports were updated in our database. On a regular basis, staff continues to process SEIs for newly nominated and appointed officials, and responds to requests to view statements.

State of Wisconsin Investment Board Quarterly Reports

The most recent quarterly reports were due by July 31st, covering April 1st through June 30th. All reports were filed by August 1st, and copies were delivered to the Legislative Audit Bureau on August 4th. The next quarterly reports will be due by October 2, 2017, covering July 1st through September 30th.