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**1992 Wis Eth Bd 5**  
**LOBBYING**

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The lobbying law prohibits a legislator from selling shares of stocks of a closely-held corporation to an organization that employs a lobbyist but not to a corporation owned by an individual who owns other corporations that employ lobbyists. OEB 92-5

March 24, 1992

Facts

- [1] This opinion is based upon these understandings:
- a. You are a legislator.
  - b. You own stock in a closely-held corporation.

Questions

- [2] The Ethics Board understands your questions to be:
1. May you sell shares of the corporation in an unadvertised private sale to an organization that employs a lobbyist?
  2. May you sell shares of the corporation to an organization that does not employ a lobbyist but is owned by an individual who owns other corporations that employ lobbyists?

Discussion

[3] The Legislature has flatly prohibited an elected official from accepting anything of pecuniary value from a principal except in limited circumstances not applicable here.<sup>1</sup> An item or service has pecuniary value if it can be valued in money.<sup>2</sup> In the situation about which you ask, the legislator would

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<sup>1</sup> § 13.625(3), *Wisconsin Statutes*, provides:

**13.625(3)** No...elective state official...may solicit or accept anything of pecuniary value from a lobbyist or principal...

<sup>2</sup> See Black's Law Dictionary (5th ed. 1979). The Legislature elsewhere has defined pecuniary value as:

Anything of value in the form of money, a negotiable instrument, or a commercial interest or anything else the primary significance of which is economic advantage....

§ 946.84(4), *Wisconsin Statutes*.

be receiving money or other things of pecuniary value in exchange for shares in a corporation.

[4] The legislator would be exchanging something for money but the lobbying law makes no exceptions to accepting items of pecuniary value from a principal even if an official furnishes something in return.<sup>3</sup> The law's apparent purpose is to draw a clear line barring economic intercourse between state officials and principals.<sup>4</sup> The line would be irrevocably blurred if an exception were to be read into the law permitting officials to engage with principals in private business transactions in which there is no market measure to determine whether the deal is economically balanced.

[5] In contrast, §13.625 does not bar a legislator's selling shares in a corporation to an individual who is not a lobbyist or to an organization that does not employ a lobbyist.

### Advice

[6] The lobbying law prohibits a legislator's private sale of stock to an organization that employs a lobbyist but not to a corporation merely because it is owned by an individual who owns other corporations that employ lobbyists.

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<sup>3</sup> 77 Op. AG 160 (1988) (receipt of compensation from a principal in exchange for services rendered is barred by the lobbying law).

<sup>4</sup> The only exception the Legislature has carved out is to permit state officials to accept items from principals if the principal also makes the items available on the same terms to the general public.