



Wisconsin Ethics Commission

Campaign Finance | Lobbying | Ethics
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DATE: For the Commission Meeting on December 16, 2025

TO: Members, Wisconsin Ethics Commission

FROM: Daniel A. Carlton, Jr., Administrator

SUBJECT: Post Sunshine Launch Auditing

FOR COMMISSION ACTION

For this memo, the Commission could take one of the following actions:

1. Decline to treat any audits as educational in nature;
2. Treat some of the audits as educational in nature as recommended below; or
3. Take action consistent with today's discussion.

Introduction

The Commission launched the new campaign finance reporting website, Sunshine, in August. Since that time, the Commission's staff has provided targeted training opportunities every other week. The videos for these training sessions have been posted online and are available for the public to view. Additionally, staff also conducted two live demonstration training sessions that were requested by groups. Staff are happy to conduct more training and spend one-on-one time with registrants upon request. Staff is also finishing up the audits for reports that were filed in the Campaign Finance Information System ("CFIS").

When the Commission launched the new lobbying website a few years ago, the Commission considered the audits that it runs in the normal course of business and decided to conduct some of them on an educational basis for a couple of reporting periods. When conducting audits on an educational basis, the Commission's staff conduct the audit normally. However, rather than send out a settlement offer or refer the matter to the Commission, Commission staff would send out an educational communication. This communication was drafted specific to the audit. It provided common causes for the error and how to avoid them in the future. Once those communications went out, the audit was closed and no further enforcement action was taken. Staff worked with those who contacted us to provide further education specific to their situation as appropriate. Commission staff believe that the Commission may want to take a similar approach with the new campaign finance website.

Audits

The Commission routinely conducts the following audits for the campaign finance program:

- Late-filed Report Audit;
- Cash Balance Discrepancy Audit;
- Anonymous Contributions Audit;
- Corporate Contributions Audit;
- Name, Address, and Occupation Audit;
- Contribution Limit Audit; and
- Lobbyist Contribution Audit.

Some of the above audits are designed to capture more technical violations while others are more substantive in nature. Given the substantive nature of some of the violations, the Commission may not want to treat those audits as educational.

The question for the Commission's consideration is whether it wants to treat any of these audits as educational in nature. If so, a second question arises: For how long would the Commission like to treat them as educational.

Commission staff believe that some of the audits should not be treated as educational audits. Specifically, the staff believe that the late-filed reports audit should not be treated as educational. The website has been live now for almost four months. We have been very proactive about conducting our training sessions and making sure they are public. The regulated community has had ample notice that the new website was coming and of the trainings. However, as of the time of this memo, only about half of the registrants have completed their initial login and set-up. Commission staff is concerned that it will not be able to handle the volume of filing-day calls and emails around the upcoming January 15th filing deadline if this trend continues. So, it is important to decide and communicate whether the Commission is going to be enforcing the deadline.

Commission staff also believe that the contribution limit audits and the prohibited source audits (lobbyists and corporate) should still occur and be treated as enforcement audits. Obviously, these rules are substantial, not technical rules. They can also be easily avoided by the committee regardless of what system they would be reporting the transactions in. Staff's recommendation is to continue conducting these audits for enforcement purposes.

The remainder of the audits are more technical in nature. To some extent, violations may occur because of unfamiliarity with the new website. These audits could be run on an educational basis. Staff's recommendation is to treat these audits as educational in nature.

If the Commission agrees to treat any of the audits as educational, the Commission will also want to decide the reporting periods that will be treated that way. In the case of the lobbying audits, they were treated as educational for two reporting periods, which was one year. In this case, the Commission's staff also recommends providing two reporting periods to be covered by educational audits. This would mean that auditing covering the periods for the 2026 January Continuing Report and the next-filed report by the registrant. In some cases, this will mean the 2026 Spring Pre-Primary Report. In others, it will mean the 2026 July Continuing Report. In determining what periods to treat as educational, the Commission will want to consider whether the reporting period is election-related or a regular continuing report period. Additionally, the Commission will want to consider that 2026 is an election year. Finally, the Commission may want

to consider the period of time that treating the audits as educational is shorter than what was provided to the lobbying community. For example, those whose next report will be the 2026 July Continuing Report will have six months to learn the new system. However, those that file the 2026 Spring Pre-Primary reporters will only have a couple of months experience in the system.

Summary/Action

As explained above, Commission staff recommend continuing enforcement for the substantive violations like contribution limits and prohibit source contributions. However, for the more technical violations, Commission staff recommend treating those as educational for a period of two reporting periods. Ultimately, it is up to the Commission to decide whether to treat any audits as educational and, if so, for which reporting periods to do so.