



State of Wisconsin
Ethics Commission

WI CAMPAIGN FINANCE: DUTIES, PROHIBITIONS, AND AUDITING

APRIL 2020



State of Wisconsin
Ethics Commission

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- CONTRIBUTION LIMITS AND PROHIBITED CONTRIBUTIONS
- ATTRIBUTION STATEMENTS
- POST-ELECTION REQUIREMENTS
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DUTIES & REQUIREMENTS

- Registration (*see Candidate Committee Lifecycle Module*)
- Maintain current and accurate information in registration statement
 - Candidate committees must update their registration within 10 days following any change in information. [WIS. STAT. § 11.0203\(3\)\(a\)](#).
- File periodic reports, if not on exempt status (*see Candidate Committee – Finance Reporting Module*)
 - Candidate committees must report all contributions, disbursements, loans, and incurred obligations during a specified time period.
- Maintaining records
 - Records must be maintained for 3 years from the date of the election in which the candidate participates. [WIS. STAT. § 11.0201\(4\)](#).



REPORTING

- Committees are required to file periodic reports of activity. [WIS. STAT. § 11.0102\(1\)](#).
- All state candidates are required to file using the Campaign Finance Information System (CFIS), cfis.wi.gov. [WIS. STAT. § 11.1304 \(6\)](#).
- State candidate offices are as follows:
 - Governor,
 - Lieutenant Governor,
 - Attorney General,
 - Secretary of State,
 - State Treasurer,
 - State Superintendent of Public Instruction,
 - Supreme Court Justice,
 - Court of Appeals and Circuit Court Judges,
 - State Senator,
 - State Representative, and
 - District Attorney



REPORTING

- Candidate committees are required to make a good faith effort to obtain all information required for reporting. [WIS. STAT. § 11.0103\(1\)](#).
- All reports must provide accurate cash balances, meaning that the end balance of the previous report matches the beginning balance of the next report, and that the beginning balance, plus contributions and minus disbursements, equals the ending balance of that report.
- Reports must include the name and address of all contributors. WIS. STAT. § [11.0204\(1\)\(a\)1](#).
 - For contributions over \$200, committees must also obtain occupation information from the contributor and report this information. [WIS. STAT. § 11.0204\(1\)\(a\)3](#).



REPORTING

- For loan contributions, they must all be reported, and if over \$20 are required to be itemized, with the name and addresses of contributors. [WIS. STAT. § 11.0204\(1\)\(a\)7.](#)
- All disbursements and incurred obligations must be reported, and if over \$20, they must be itemized, providing the name and address to whom the disbursement was made, or obligation incurred. WIS. STAT. [11.0204\(1\)\(a\)8.](#) and [9.](#)



CONTRIBUTION LIMITS

- All candidates must abide by the contribution limits set for the office they are seeking and the population of the district in which they are seeking office. [WIS. STAT. § 11.1101](#).
- All contribution types are subject to contribution limits, including loans and in-kind contributions for things such as services and tangible items.
- For Court of Appeals Judges, Circuit Court Judges, and District Attorneys, there are separate limits, depending on whether the office is in a populous district.
 - A populous district for Appeal Judges contains a county having a population of more than 750,000.
 - A populous district for Circuit Judges is a circuit having a population of more than 300,000.
 - A populous district for a District Attorney is a prosecutorial unit having a population of more than 300,000.
 - Based on 2010 U.S. Census data, there are only 3 counties that have a population over 300,000. They are as follows: Dane, Milwaukee, and Waukesha counties. Only Court of Appeals District 1 qualifies as populous.
- The next slide provides a table of the contributions limits that apply for all state candidates and can also be found at: <https://ethics.wi.gov/Pages/CampaignFinance/ContributionLimits.aspx>.



CONTRIBUTION LIMITS

OFFICE	INDIVIDUAL CONTRIBUTORS Wis. STAT. § 11.1101(1)	CANDIDATE COMMITTEE CONTRIBUTORS Wis. STAT. § 11.1101(2)	POLITICAL ACTION COMMITTEE CONTRIBUTORS Wis. STAT. § 11.1101(3)	OTHER PERSONS (UNREGISTERED) Wis. STAT. § 11.1101(4)
GOVERNOR	\$20,000	\$20,000	\$86,000	\$86,000
LIEUTENANT GOVERNOR	\$20,000	\$20,000	\$26,000	\$26,000
SECRETARY OF STATE	\$20,000	\$20,000	\$18,000	\$18,000
STATE TREASURER	\$20,000	\$20,000	\$18,000	\$18,000
ATTORNEY GENERAL	\$20,000	\$20,000	\$44,000	\$44,000
SUPERINTENDENT OF PUBLIC INSTRUCTION	\$20,000	\$20,000	\$18,000	\$18,000
SUPREME COURT	\$20,000	\$20,000	\$18,000	\$18,000
STATE SENATOR	\$2,000	\$2,000	\$2,000	\$2,000
ASSEMBLY REPRESENTATIVE	\$1,000	\$1,000	\$1,000	\$1,000
APPEALS JUDGE – POPULOUS DISTRICTS	\$6,000	\$6,000	\$6,000	\$6,000
APPEAL JUDGE – OTHER DISTRICTS	\$5,000	\$5,000	\$5,000	\$5,000
CIRCUIT JUDGE – POPULOUS AREA	\$6,000	\$6,000	\$6,000	\$6,000
DISTRICT ATTORNEY – POPULOUS AREA	\$6,000	\$6,000	\$6,000	\$6,000
CIRCUIT JUDGE – OTHER AREA	\$2,000	\$2,000	\$2,000	\$2,000
DISTRICT ATTORNEY – OTHER AREA	\$2,000	\$2,000	\$2,000	\$2,000



PERIOD FOR CONTRIBUTION LIMITS

When calculating whether contributions have exceeded the contribution limits, candidates need to be aware of the following applicable periods:

- For new candidates, the period begins on the date the candidate files a registration statement and ending the day before the winning candidate begins their term of office; or
- If the candidate is an incumbent, the period begins on the day the candidate assumed office and ends on the day before the winning candidate takes office.
 - » Note: There are not separate periods for the primary and general election. These periods run through both the primary and the general election.

[WIS. STAT. § 11.1103](#)



CONTRIBUTION LIMIT EXCEPTIONS

Candidates may accept some types of contributions in unlimited amounts:

- Contributions made by the candidate to their own campaign ([WIS. STAT. § 11.1104\(7\)](#));
- Contributions from a political party or legislative campaign committee ([WIS. STAT. § 11.1104\(5\)](#)); and
- Contributions used to pay legal fees and other expenses incurred in connection with a recount or petitions to recall an office.
 - To qualify for this exclusion, recall expenses must occur before the recall primary or election is ordered, or in contesting or defending the order. Contributions used to pay recount or recall expenses must be reported on the regular campaign finance reports. Both the contributor and the candidate should indicate which contributions are being used for this purpose ([WIS. STAT. § 11.1104\(9\)-\(10\)](#)).



PROHIBITED CONTRIBUTIONS

- Candidate committees are prohibited from accepting certain types of contributions and contributions from certain persons.
- Candidate committees *shall not* accept:
 - Anonymous contributions of more than \$10 ([WIS. STAT. § 11.1108](#));
 - Contributions in cash of more than \$100 ([WIS. STAT. § 11.1107](#));
 - Contributions given in the name of someone other than the contributor ([WIS. STAT. § 11.1204\(1\)](#));
 - Contributions from corporations, associations organized under ch. 185 or 193, labor organizations, or federally recognized American Indian Tribes ([WIS. STAT. § 11.1112](#));
 - Contributions in excess of the limits (WIS. STAT. §§ [11.1101](#), [11.1204\(3\)](#)); and
 - Contributions from foreign nationals. [WIS. STAT. § 11.1208\(4\)](#).



CONTRIBUTIONS FROM LICENSED LOBBYISTS

- Lobbyists may make a *personal* contribution to a partisan elective state official or a candidate for partisan elective state office during the following time period (“contribution window”):
 - From the first day authorized by law for the circulation of nomination papers, until the general or special election.
 - If the candidate or partisan elective state official is a candidate for legislative office, contributions may not be made unless the legislature has concluded its final floorperiod, and is not in special or extraordinary session.

[WIS. STAT. § 13.625\(1m\).](#)



CONTRIBUTIONS FROM LICENSED LOBBYISTS

- Contributions made by a lobbyist through a conduit, are *personal* contributions from that lobbyist and are subject to the lobbyist contribution window.
- Committees should be cautious and diligent when reporting contributions from lobbyists within the window, but near the close of the window on election day. Contributions should always be reported with the date the contribution is *received*, rather than the date it is deposited into the bank account or entered into CFIS.



PROHIBITED CONTRIBUTIONS

- If the candidate committee believes that a contribution may have been received from a potentially prohibited source, the committee should make a good faith effort ensure that the contribution is lawful. [WIS. STAT. § 11.1204\(3\)](#).
- If a committee accepts a prohibited contribution and includes it in the report for that reporting period, the statutes provide that if the contribution is then returned within 15 days after the filing deadline for the reporting period in which the contribution was received, there is no violation of contribution limits or sources. [WIS. STAT. § 11.1110\(2\)\(b\)](#).

Best practice – Do not accept any contributions if you cannot determine whether the contribution is lawful.



ATTRIBUTION STATEMENTS (DISCLAIMERS)

- An attribution statement is required to be placed on all communications containing express advocacy to identify the person(s) who paid for and/or authorized the communication. [Wis. STAT. § 11.1303\(2\)](#).
 - Express advocacy refers to communications that clearly identify a candidate and relates to their election or defeat. [WIS. STAT.§ 11.0101\(11\)](#).
 - Some examples are:
 - Vote for, elect, support, Smith for ____ (elective office), vote against, defeat, reject.
 - Some common communications that require attribution statements: Yard signs, pamphlets about the candidate, television or radio advertisements, banners, email communications, and candidate websites.
- Attribution statements do not apply to communications containing express advocacy printed on small items, which would normally require a disclaimer, but cannot be conveniently printed, including text messages, social media communications, and certain small advertisements on mobile phones. [WIS. STAT. § 11.1303\(2\)\(f\)](#).



ATTRIBUTION STATEMENTS (DISCLAIMERS)

- When a communication is paid for by the candidate committee, the disclaimer must include the words “**Paid for by,**” followed by the committee’s name.
 - » “Paid for by Friends of Mary Smith.”
- Committees may choose to include the name of the treasurer, but this is *not* required.
 - » “Paid for by Friends of Mary Smith, James Jones, Treasurer.”
- If a communication is paid for by another in coordination with the candidate committee, both the person making the payment and the committee accepting the in-kind contribution should be listed.
 - » “Paid for by Citizens for Government, Authorized by Friends of Mary Smith.”



AFTER THE ELECTION

- If you win, you must remain registered as a committee while you are in office. During non-election years, you may wish to go on “exempt status” – this means that as long as you have less than \$2,000 in activity per year, you do not have to file campaign finance reports. [Wis. STAT. § 11.0101\(1\)\(c\)](#).
- If you lose, and you wish to terminate your committee, you must make sure the committee has a \$0 cash balance, and \$0 in outstanding obligations and loans. If you wish to keep the committee active for a future candidacy, you may wish to go on “exempt status” so you do not have to file reports.
- For more information on exempt status and terminating a committee, please refer to the [Candidate Committee Campaign Finance Overview Manual](#) or the Candidate Committee Lifecycle Training Module.



ENFORCEMENT AND AUDITING

- Under Chapter 19 of Wisconsin Statutes the Commission is given the authority to enforce campaign finance statutes.
- One way that the Commission does this is through regular auditing.
- The auditing process is confidential. Information identifying a committee, individual, violation, or settlement amount is released only if contained within a signed settlement agreement.



AUDITING

- How does the Commission conduct audits?
 - Audits are conducted by performing a global analysis of all committees or individuals subject to a particular law.
 - Data is taken mainly from CFIS, but some data is also pulled in from the Commission's lobbying filing system, Eye on Lobbying, and the Elections Commission's website WisVote.
 - The Commission's auditing schedule can be found here:
<https://ethics.wi.gov/Pages/Enforcement/Audits.aspx>



AUDITING

- How will your committee know if it was identified in an audit?
 - If potential violations are identified, Commission staff will contact each committee, via email using the contacts listed in your registration.
 - This initial communication will identify the issues and provide the committee with 30 days to respond and/or resolve the issues identified.
 - After the 30 days, if the issues are not resolved, the matters will be referred to the Commission at the next regularly scheduled meeting.
- The Commission may then direct staff to issue a settlement agreement or close the audit matter when appropriate.



SETTLEMENT SCHEDULE

- When enforcing violations identified in audits the Commission has chosen to offer settlement agreements rather than seek a forfeiture for minor violations, violations caused by excusable neglect, or for violations which for other good cause should not be prosecuted. [WIS. STAT. § 19.49\(1\)\(b\)](#).
- Standard schedules were developed for each audit. These schedules can be found in [WIS. ADMIN. CODE ETH § 26.02](#) and on the Commission's website: <https://ethics.wi.gov/Pages/Enforcement/SettlementSchedules.aspx>.



TYPES OF AUDITS – LATE REPORTS

- Late Filing of Campaign Finance Report
 - These audits are conducted after each report deadline.
 - Committees identified in this audit may be subject to Wis. ADMIN. CODE ETH § [26.02\(1\)](#) or [\(2\)](#).
 - Late reporting for continuing reports and late reporting for election related reports have separate schedules, with the schedule for late election reports beginning monetary settlements on the day after the deadline.



TYPES OF AUDITS – ANONYMOUS AND CORPORATE CONTRIBUTIONS

- Anonymous Contributions Audit
 - Conducted annually for the prior year's reported contributions.
 - Committees identified in this audit may be subject to [WIS. ADMIN. CODE ETH § 26.02\(6\)](#), a standard settlement of \$100 plus 10% of all contributions not in compliance.
- Corporate Contributions Audit
 - Conducted annually for the prior year's reported contributions.
 - Identifies contributions received from corporations, unions, associations, or federally recognized American Indian Tribes.
 - Committees identified in this audit may be subject to [WIS. ADMIN. CODE ETH § 26.02\(10\)](#), a standard settlement of 1.5 times the amount of the prohibited contribution.



TYPES OF AUDITS – CASH BALANCE

- Cash Balance Discrepancy Audit
 - The Commission conducts a semi-annual audit for cash balance discrepancies.
 - Committees identified as having one or more cash balance discrepancies of \$100 or more may be subject to [Wis. ADMIN. CODE ETH § 26.02\(8\)](#), a standard settlement of \$100 plus 10% of the total discrepancies in the report.
 - » Note - Prior to this audit, Commission staff conduct a query for pending transactions in CFIS. This is not an enforcement inquiry, but rather helps committees clean up what has been reported in CFIS and can help committees identify and resolve cash balance discrepancies prior to that audit.



TYPES OF AUDITS – NAME, ADDRESS AND OCCUPATION INFORMATION

- Name and Address Information
 - Contributions and Expenses that do not include name, address, or proper itemization when required may be identified in this annual audits.
 - Committees identified in this audit may be subject to [Wis. ADMIN. CODE ETH § 26.02\(6\)](#), a standard settlement of \$100 plus 10% of all contributions not in compliance.
 - Occupation Information
 - Contributions over \$200 that do not include an occupation for the contributor may be identified in this annual audit.
 - Committees identified in this audit may be subject to [Wis. ADMIN. CODE ETH § 26.02\(6\)](#), a standard settlement of \$100 plus 10% of all contributions not in compliance.
- Please note that these are new audits and will be conducted for the first time in 2021, for calendar year 2020



TYPES OF AUDITS – CONTRIBUTION LIMITS

- Contribution Limits
 - The Commission conducts contribution limit audits biannually.
 - For Spring Elections, the audit is conducted the following April after the election.
 - For the General Election, the audit is conducted the following August.
 - Committees identified through this audit could be subject to [WIS. ADMIN. CODE ETH § 26.02\(11\)](#), a standard settlement in the amount of the excess contribution.



TYPES OF AUDITS – LOBBYIST CONTRIBUTIONS

- The Commission annually conducts an audit for lobbyist contributions outside the window in which contributions are permissible.
- Pursuant to [WIS. ADMIN. CODE ETH § 26.02\(11\)](#), candidate committees may be issued a settlement requiring that the committee return the contribution. At this time, the Commission has not enforced this against campaign committees or issued campaign committees settlements.
- However, the Commission does enforce this for lobbyists. Lobbyists who give prohibited contributions may be subject to [WIS. ADMIN. CODE ETH § 26.02\(11\)](#), and settlements issued to lobbyists require that the contribution be returned. If a committee does not return the contribution at the lobbyist's request, the Commission could issue a settlement to the candidate committee.



COMPLAINTS AND INVESTIGATIONS

- One other means of enforcement that the Commission has is through complaints and investigations.
- Complaints and investigations cannot be initiated by the Commission, they require an individual to file a sworn complaint with the Commission.
- The complaint and investigation process is confidential.
- For more information on complaints and investigations, please visit: <https://ethics.wi.gov/Pages/Enforcement/Complaints.aspx>. This page provides further information on statutory authority, confidentiality, the complaint process, and the complaint form.



WHERE TO GET MORE INFORMATION

- [Candidate Committee Overview Manual](#) (2019)
- [Candidate Committee Overview Page](#)
- Wisconsin Ethics Commission website (<https://ethics.wi.gov>)
- Wisconsin Ethics Commission staff:
campaignfinance@wi.gov or (608)266-8123

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