

Update on Congressional Lobbying and Ethics Reform

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Growth in the Number of Advocates

- **Narrow Definition: 40, 281** (number of people in the Government Affairs Directory doing advocacy)
- **Broad Definition: 87,058** (total number of employees listed in Government Affairs Directory including support staff)
- **Estimated number of people in the lobbying industry in Washington, DC area: 150,000 +**
- **Number of Groups in the U.S.: Over 1 million**
- **Who should be called a lobbyist?**

Definition of Federal Registered Lobbyist

A lobbyist is (1) employed or retained to make lobbying contracts (2) for a client (3) if income earned or expenses incurred for matters related to lobbying activities for that client exceed certain monetary thresholds.

Definition of Lobbyist

More than one lobbying contact and lobbying activities for that client must amount to 20 percent or more of the time that the individual may qualify as a lobbyist over a three month period. (with covered executive and legislative branch officials) but also efforts to support such

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contacts.

Growth in the Number of Registered Lobbyists

- 2000: 16,342
- 2006: 27,611
- Post 2007 Reform: 22,000 (and dropping)
- Number of registered lobbyists more than doubled in 10 years up to reforms
- Overall recorded spending on federal lobbying has risen over 30 percent in five years

De-registrations/Terminations

- 1st quarter terminations 2008 – 1,293
- 2nd quarter terminations 2008 – 1,134
- 3rd quarter terminations 2008 – 1,161
- 4th quarter terminations 2008 – 785
- 1st quarter terminations 2009 – 1,662
- 2nd quarter terminations 2009 – 1,208
- 3rd quarter terminations 2009 – 50

2,920 "terminations" since the
beginning of the year and 4,373 in
2008

(OMB Watch)

Growth in Lobbying Expenditures

Source: Clerk of the House and Secretary of the Senate, 1998-2008

■ 1998	\$1.427 b.
■ 1999	\$1.434 b.
■ 2000	\$1.545 b.
■ 2001	\$1.617 b.
■ 2002	\$1.806 b.
■ 2003	\$2.037 b.
■ 2004	\$2.128 b.
■ 2005	\$3.058 b.
■ 2006	\$3.000 b.
■ 2007	\$3.100 b.
■ 2008	\$3.186 b.

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Lobbying Expenditures in 2006 by Industry

Source: Clerk of the House and Secretary of the Senate, 2006

■ Finance/Insurance/Real Estate	\$368 m.
■ Health	\$351 m.
■ Business (generally)	\$334 m.
■ Communications/Electronics	\$330 m.
■ Energy/natural Resources	\$234 m.
■ Transportation	\$191 m.
■ Ideological/Single Issue	\$124 m.
■ Defense	\$111 m.

Lobbying Functions

- **Development of Strategic Game Plan**
- **Management of Lobbying Campaigns**
- **Communications/Advertising/Internet**
- **Grassroots (top roots, Astroturf)
Lobbying**
- **Coalition Building and Maintenance**
- **Knowledge of Rules, Regulations and
Ethics in Lobbying/Recent Reforms**

Streams of Reforms

- Congressional Lobbying Reform
- Ethics Reform
- Rules and Procedural Reforms
- Campaign Finance Reform
- Redistricting Reform
- Executive Branch Lobbying Reform

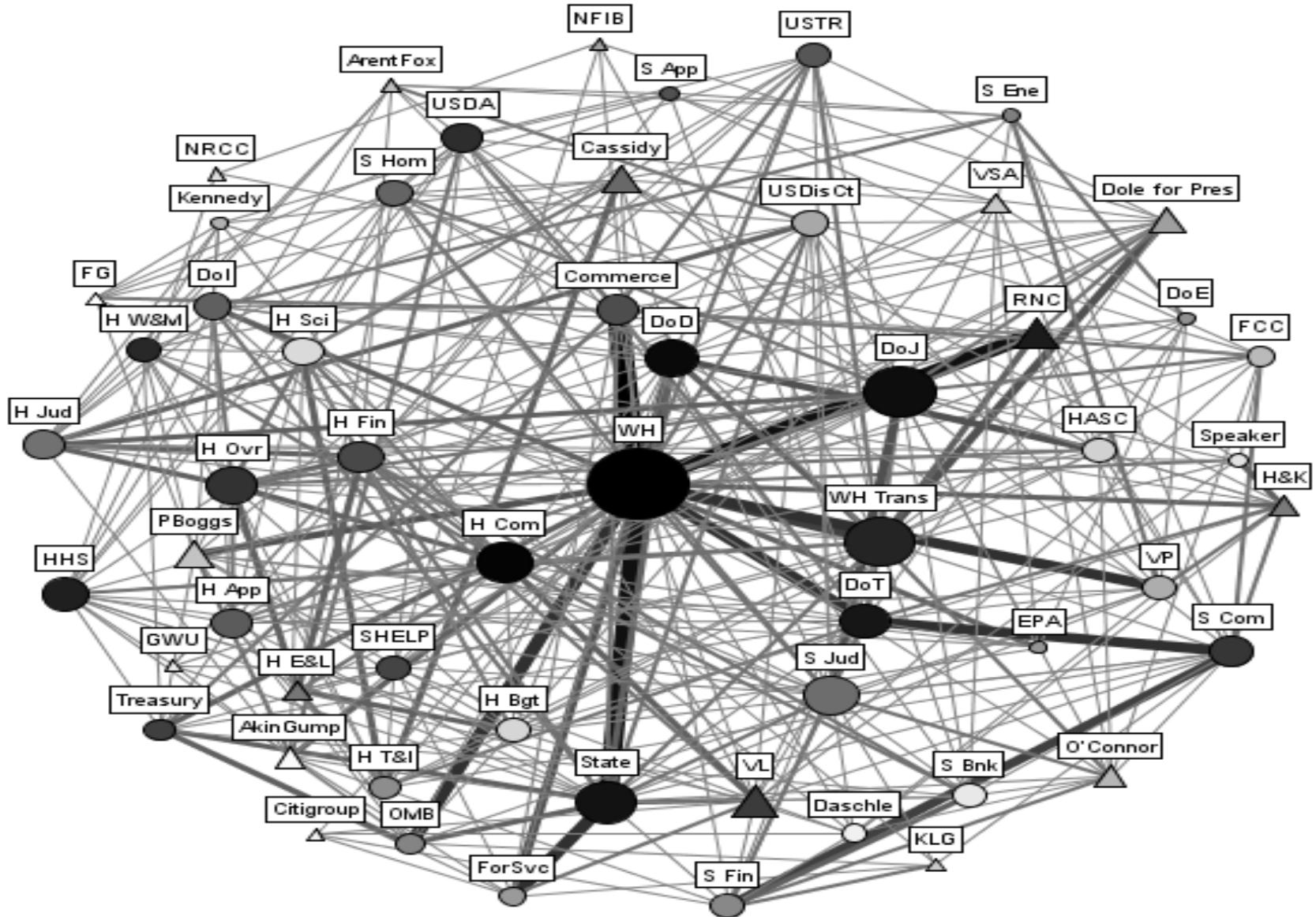
Problems of Unethical Behavior in Lobbying

- Increased Expenditures on Lobbying (regulated vs. “invisible” unregulated expenditures)
- Lax Enforcement of Lobbying and Ethics Rules Lax Oversight by Ethics Committees/Justice Department
- Increasing Problems of “Revolving Door”/K Street Project
- Increasing Problems of the Law vs. Ethical “shades of gray”

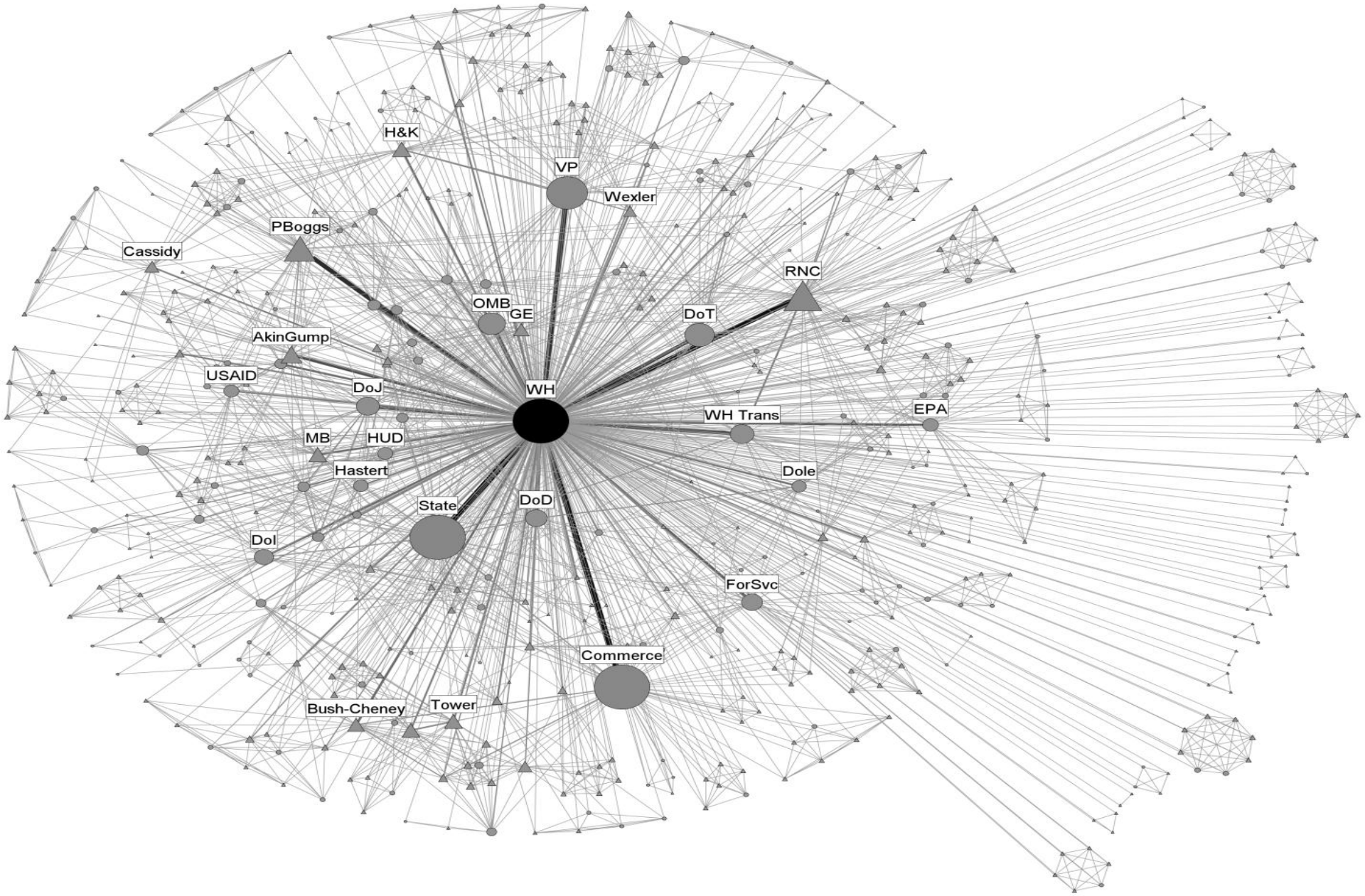
Problems of Revolving Door

- Lobbying is Top Career Choice of Departing Members of Congress and Top Staff
- 43% of members who left Congress since 1998 and were eligible to lobby have become registered lobbyists
- 50% of Senators
- 42% of house Members

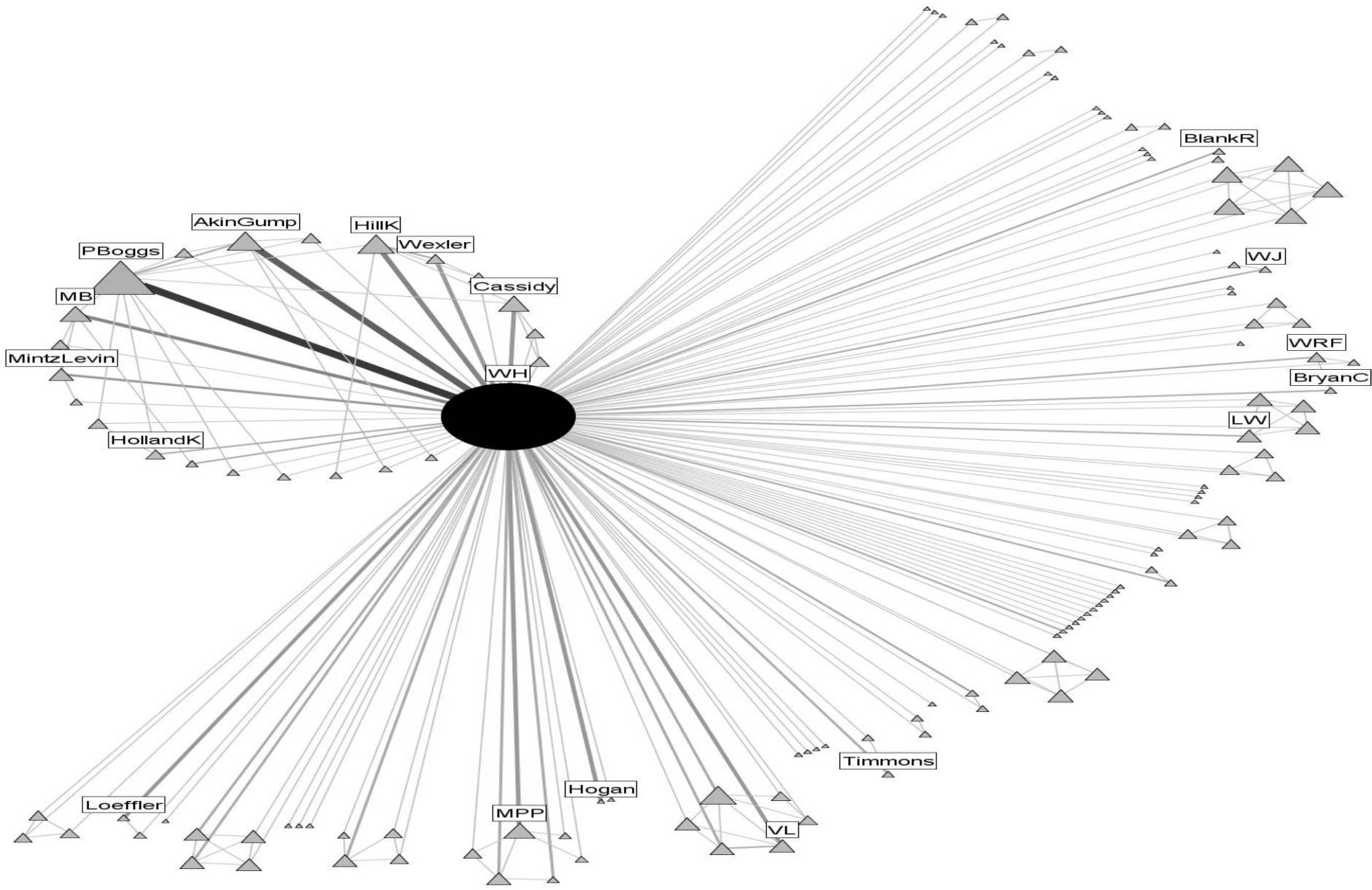
Washington Lobbying Community, June 2006



All Employers with White House Alumni, All Periods



Lobbying Firms with White House Alumni, All Periods



Honest Leadership and Open Government Act of 2007

- *Senate and House Statutory Reform by Amending the Lobbyist Disclosure Act, the Federal Election Campaign Act, the Ethics in Government Act, the Indian Self-Determination and Education Assistance Act, and Revising Congressional Pension Provisions in the Civil Service Retirement System*

Honest Leadership and Open Government Act of 2007

- Require current lawmakers to disclose job negotiations for post-congressional employment
- Ban Senators and their senior staff from lobbying their colleagues for two years after leaving office
- Ban senior executive branch officials from lobbying their colleagues for two years after leaving office
- Prohibit any official contact between a lobbyist who is the spouse of a lawmaker and that lawmaker's staff on behalf of the spouse-lobbyist's clients
- Gift Ban and Chartered Jet Travel Reform

Closing the Revolving Door

- Prohibits Senators from gaining undue lobbying access by increasing the "cooling off" period for Senators from one to two years before they can lobby Congress.
- Prohibits Cabinet Secretaries and other very senior executive personnel from lobbying the department or agency in which they worked for two years after they leave their position.
- Prohibits senior Senate staff and Senate officers from lobbying contacts with the entire Senate for one year, instead of just their former employing office.
- Prohibits senior House staff from lobbying their former office or Committee for one year after they leave House employment.
- Requires that executive and legislative branch employees who leave government positions and seek to lobby on behalf of Indian tribes face the same revolving door provisions as others.

Ending the Pay-to-Play K Street Project

- Prohibits Members and their staff from influencing hiring decisions of private organizations on the sole basis of partisan political gain.
- Subjects those who violate this provision to a fine and imprisonment for up to 15 years.

Prohibiting Gifts by Lobbyists

- Prohibits lobbyists from providing gifts or travel to Members of Congress with knowledge that the gift or travel is in violation of House or Senate Rules.
- Limits Chartered Jet Travel

Full Public Disclosure of Lobbying Activity

- Requires lobbyist disclosure filings to be filed twice as often, by decreasing the time between filing from semi-annual to quarterly.
- Requires lobbyist disclosures in both the Senate and House to be filed electronically and requires creation of a public searchable Internet database of such information.

Full Public Disclosure of Lobbying Activity

- Increases civil penalty for knowing and willful violations of the Lobby-Disclosure Act from \$50,000 to \$200,000 and imposes a criminal penalty of up to five years for knowing and corrupt failure to comply with the Act.
- Requires the Government Accountability Office to audit annually lobbyist compliance with disclosure rules.

Full Public Disclosure of Lobbying Activity

- Requires lobbyists to certify they have not given gifts or travel that would violate Senate or House rules.
- Requires the disclosure of businesses or organizations that contribute more than \$5,000 and actively participate in lobbying activities by certain coalitions and associations.



New Transparency

- Requires disclosure to the Federal Election Commission when lobbyists bundle over \$15,000 semiannually in campaign contributions for any federal elected official or leadership PAC.
- Requires lobbyists to disclose to the Secretary of the Senate and the House Clerk their campaign contributions, and payments to Presidential libraries, Inaugural Committees or entities controlled by, named for or honoring Members of Congress.

Congressional Pension Accountability

- Denies Congressional retirement benefits to Members of Congress who are convicted of bribery, perjury, conspiracy or other related crimes in the course of carrying out their official duties as a Member of Congress.

Prohibited Use of Private Aircraft

- Requires that candidates, other than those running for a seat in the House, pay the fair market value of airfare (charter rates) when using non-commercial jets to travel. (This impacts Senate, Presidential and Vice Presidential candidates)
- Requires candidates for the House to comply with rule XXIII (15), which prohibits use of non-commercial aircraft.

Penalties for Falsifying Financial Disclosure Forms

- Increases the penalty for Members of Congress, Senior Staff and Senior Executive officials for falsifying or failing to report financial disclosure forms from \$10,000 to \$50,000 and establishes criminal penalties of up to one year of imprisonment.

Prohibition on Lobbying Contacts with Spouses who Are Registered Lobbyists

- Requires that Members prohibit their staff from having any lobbying contact with the Member's spouse if such individual is a registered lobbyist or is employed or retained by a registered lobbyist to influence legislation.

Travel & Financial Disclosure Reports on the Internet

- Requires that travel by members financed by outside groups be posted on a searchable, sortable and downloadable website by August 1, 2008.
- Requires that Members' financial disclosure forms be posted on a searchable, sortable and downloadable website by August 1, 2008

Participation in Lobbyist Sponsored Events During Political Conventions

- Prohibits Members from attending parties held in their honor at national party conventions if they have been sponsored by lobbyists, unless the Member is the party's presidential or vice presidential nominee.

Senate Procedural Reform

- Allows the Senate to delete "dead of night" additions from conference reports (when the new matter was not approved by either House) unless 60 Senators vote in favor of keeping the matter in the conference report.
- Seeks to end secret Senate holds by requiring the Senator placing a hold on a legislative matter or nomination publicly disclose that hold within five days.
- Requires that Senate committees and subcommittees post video recordings, audio recordings or transcript of all public meetings on the internet.
- Expresses that conference committee processes should be open and transparent.

Senate Congressionally-Directed Spending Reform

- Requires that all congressionally-directed spending items, limited tax benefits and limited tariff benefits are identified in bills, resolutions, conference reports and managers' statements be identified and posted on the internet at least 48 hours before a vote.
- Requires that Senators certify that they and their immediate family will not financially benefit from a congressionally directed spending item, limited tax benefits and limited tariff that they are seeking.

Senate Post Employment Restrictions

- Prohibits Senators from lobbying Congress for two years after they leave office.
- Prohibits officers and senior employees from lobbying the Senate for one year after they leave Senate employment.

Disclosure by Senators and Staff of Employment Negotiations

- Requires Senators to disclose within three business days any negotiations they engage in to secure future employment before their successor is elected and prohibits them from seeking employment as a registered lobbyist before they leave office.
- Requires senior staff to notify the Ethics Committee within three days of beginning negotiations for future employment and to recuse themselves should employment negotiations create a conflict of interest.

Elimination of Floor, Parking and Gym Privileges for former Members Who Become Lobbyists

- Revokes floor privileges and the use of the Members' exercise facilities and parking for former Senators, former Secretaries of the Senate, former Sergeants at Arms of the Senate and former Speakers of the House who are registered lobbyists.

Ban on Gifts from Lobbyists and Entities that Hire Lobbyists

- Prohibits Senators and their staff from accepting gifts from registered lobbyists or entities that hire or employ them.
- Requires entertainment and sports tickets to be valued at market rates.

Restrictions on Lobbyist Participation in Travel

- Prohibits Senators and their staff from accepting private travel from registered lobbyists or the entities that hire them.
- Limits lobbyists from organizing, arranging, requesting or participating in travel by Senators or their staff.

Restrictions on Lobbyist Participation in Travel

- Allows Senators and their staff, with pre-approval from the Ethics Committee, to accept travel by entities that employ lobbyists if it is necessary to participate in a one day meeting, speaking engagement, fact-finding trip or similar event.
- Allows Senators and their staff to accept travel provided by 501(c)(3) organizations if the trip has been pre-approved by the Ethics Committee.

Lobbying Contact with Spouses or Immediate Family Members who are Registered Lobbyists

Prohibits Senate spouses who are registered lobbyists from engaging in lobbying contacts with any Senate office.

Annual Reports on Ethics Enforcement

Directs the Ethics Committee to issue annual reports listing the number of: alleged violations of Senate rules, alleged violations that were dismissed, alleged violations that led to a preliminary inquiry, alleged violations that resulted in an adjudicatory review, alleged violations that the committee dismissed; and the number of letters of admonition issued and the number of matters resulting in disciplinary sanction.

Honest Leadership and Open Government Act of 2007

- Make it easier for the public to know about campaign contributions from lobbyists to lawmakers
- Make it easier for the public to know about lobbyist advocacy topics, targets and expenditures
- Reformed Earmarks: More transparent
- Increase criminal and civil penalties for violating the Lobby Disclosure Act to \$200,000 and five years in prison for willful and knowing violations of the act