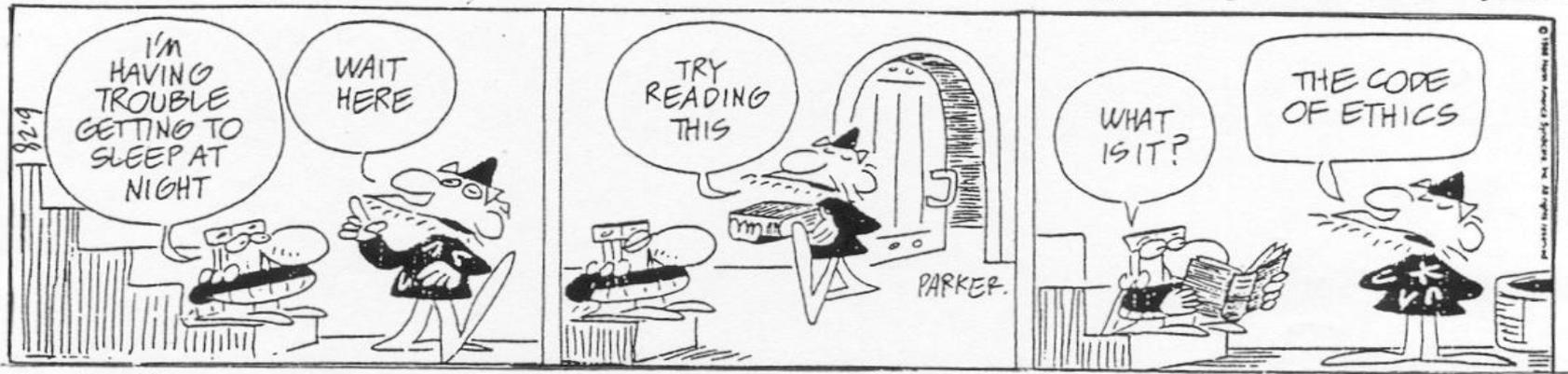




LOBBYING EDUCATION: PART I

THE WIZARD OF ID

by Brant parker and Johnny hart



By permission of Johnny Hart and NAS, Inc.

LOBBYING ETHICS

3

- I. ROLE OF THE STATE ETHICS COMMISSION
- II. REQUESTING ADVICE
- III. GIFT BAN & GIFT BAN EXCEPTIONS
- IV. ADDITIONAL PROHIBITIONS & RESTRICTIONS

ROLE OF THE STATE ETHICS COMMISSION—ETHICS ACT

4

- “The purpose of This Chapter Is To Ensure That Elected & appointed State agency officials exercise their authority
- Honestly & Fairly,
- Free from Impropriety, Threats, Favoritism, and Undue Influence.”

ROLE OF THE STATE ETHICS COMMISSION—ETHICS ACT

5

Public Service Is A Public Trust:

- Requires That Public Officials Serve the Public, Not Their Own, Interests
- Requires That the Public *Believe* That Public Officials Serve the Public's Interest

**“In a government like ours ... care should be taken in every part of the system, not only to do right, but to satisfy the community that right is done.” **

Daniel Webster

ROLE OF THE STATE ETHICS COMMISSION-ETHICS ACT

6

I. Financial Disclosure—Receive & Evaluate Statements of Economic Interest

II. Educate Persons Subject to Act

III. Provide Advice to Persons Subject to Act

- A. Conflicts of Interest
- B. Acceptance of Gifts
- C. Use of Title in Advertising

IV. Receive and Investigate Complaints

ROLE OF THE STATE ETHICS COMMISSION-LOBBYING LAW

7

INTERPRETATION

Issue Advice & Formal Advisory Opinions
as to All Articles of Chapter 120C

Adopt Rules Necessary to Interpret All Articles

Adopt Rules Necessary to Administer Art. 3, 5, 7

EDUCATION

Conduct Lobbying Education

Issue Newsletters

INVESTIGATION

Investigate Alleged Violations
of Lobbying Law, Including:

- Gift Ban
- “Cooling Off” Period
- Other Restrictions

Refer Alleged Violations to
Secretary of State

- Registration
- Reporting

THE LOBBYING LAW

--REQUESTING ADVICE

8

WHO Can Request Advice?

Anyone affected by the Lobbying Law

WHO Issues Advice?

Staff or the Commission

WHAT Can You Request?

Advice involving specific questions relating to real or reasonably anticipated situations

WHEN Must it Be Requested?

Before situation occurs

INFORMAL ADVICE vs. FORMAL ADVISORY OPINIONS

9

	INFORMAL ADVICE	FORMAL ADVISORY OPINION
Request	Written or Verbal	Must be Written
Advice	Issued by Staff	Issued by State Ethics Commission
Confidential	Yes	Yes
Immunity	No	Yes
Redacted Advice Published	No	Yes <ul style="list-style-type: none"> ➤ Must Publish on Website in Edited Format. ➤ Must Share Unedited Lobbying Opinions with Secretary of State.

INFORMAL ADVICE vs. FORMAL ADVISORY OPINIONS

10

Reliance Upon Ethics Commission Formal Advisory
Opinion Results in Immunity From:

- Investigation by the Commission
- Investigation by the Secretary of State

- **When & to Whom Does Gift Ban Apply?**
- **What Are the Exceptions?**

GIFT BAN: UNLESS THERE IS AN EXCEPTION

12

LOBBYISTS & LOBBYIST PRINCIPALS

Cannot Knowingly Give a Gift
(Directly or Indirectly) To
“Designated Individuals”

- Legislators
- Legislative Employees
- Public Servants

LIAISON PERSONNEL

Cannot Knowingly Give a Gift
(Directly or Indirectly) To:

- Legislators
- Legislative Employees

“INTERESTED PERSONS”

Designated Individual Cannot
Knowingly **Accept** Gift, (Directly
or Indirectly), from:

- Interested Person



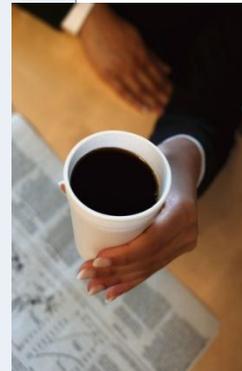
Gift Ban Applies 24/7/365

WHAT IS A “GIFT”?

13

- “Anything of Monetary Value”
- Given Without Valuable Consideration
- Gift Ban Applies to Direct and Indirect Gifts

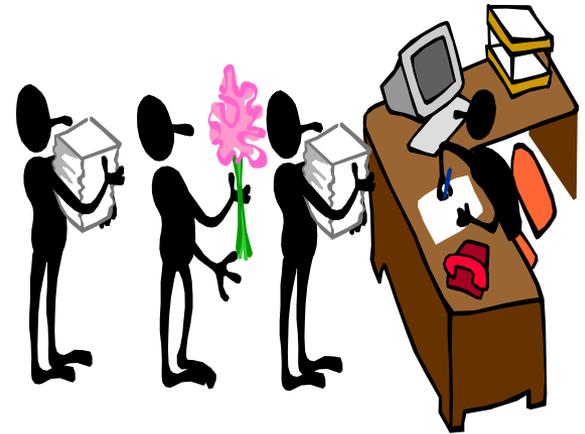
No De Minimis Exception



WHAT IS A “GIFT”?

14

- Gift Ban Applies Where A Designated Individual is the Ultimate Recipient
- It Does Not Apply to Gifts to State Entities for Official Use
 - ✓ Equipment
 - ✓ Publications
 - ✓ Conference Space



WHAT IS NOT A “GIFT”?

15

- Paid Fair Market or Face Value
 - Loans Made on Same Terms As Commercially Available
 - Other Contractual or Commercial Arrangements
 - Academic/Athletic Scholarships
 - Items Reported Under Election Law
 - Expressions of Condolence
- Cards, Letters, Notes, E-mails, etc. (Commission determination)



“INDIRECT GIFTS”

16

Restricted Donor
May Not Give Gift



To An Intermediary,
Including State



With the Intent That **ANY** Designated Individual
Be An Ultimate Recipient
(Unless Exception Applies)

“INDIRECT GIFTS”

17

AO-L-12-002

- Indirect Gift Ban Applied to Donations Made by Restricted Donors to Sponsor Ticketed Event:
 - ✓ If Those Donors Intended That **Any** Designated Individual Be “An Ultimate Recipient” of Donation
- Even if Event Host Not Subject to the Gift Ban (the State, a Non-Lobbyist Principal)
- A Gift Ban Exception Must Apply Before Complimentary Admission Provided to Designated Individual



WHO ARE DESIGNATED INDIVIDUALS?

18

LEGISLATIVE



- Legislators
- Legislative Employees

EXECUTIVE

“Public Servants”



- Governor
- Lt. Governor
- Council of State
- Cabinet Secretaries
- Governor’s office employees
- Policy-making positions chief deputies, confidential assistants
- Certain managerial positions
- Others designated by Governor
- Certain UNC & community college officials

WHO ARE DESIGNATED INDIVIDUALS?

Members of State Boards and Commissions

19

- UNC Board of Governors
- Boards of Trustees of Constituent Institutions
- State Board of Community Colleges
- Boards of Trustees of Community Colleges
- *Voting Members of State Non-Advisory Boards*
 - ✓ Exercise some final decision-making function, such as awarding grants, rule-making, issuing licenses, etc.
 - ✓ State Ethics Commission determines which State boards are “non-advisory”



WHO ARE DESIGNATED INDIVIDUALS?

20

List available on Commission's website at

www.ethicscommission.nc.gov

or by calling (919) 715-2071

The screenshot displays the North Carolina State Ethics Commission website. The header features the text 'NORTH CAROLINA STATE ETHICS COMMISSION' and the state seal. A navigation menu includes links for Home, Advisory Opinions, Complaints, Education, Laws & Rules, News, Statements of Economic Interest, About Us, and Coverage. The main content area shows a breadcrumb trail: 'home > coverage > covered persons'. The 'Covered Persons' section explains that the Commission must identify and publish a listing of all persons subject to Chapter 138A, the State Government Ethics Act, as covered persons or legislative employees. It lists various categories of covered persons, such as Legislative Employees, Legislators (House and Senate members), Judicial Officers, and Public Servants in various roles. A 'PLEASE NOTE' section clarifies that this is a 'snapshot' of covered persons and legislative employees, and that the list is updated on a regular basis. A 'More Information' sidebar on the right provides additional links to Introduction, Covered Boards, General Categories of Covered Persons, and Covered Persons (Legislative Employees, Legislators, Judicial Officers, Public Servants - Judicial Employees, Public Servants - Executive Branch, University, and Community College Employees, and Public Servants - Members of State Boards and Commissions).

NORTH CAROLINA STATE
ETHICS
COMMISSION

Home Advisory Opinions Complaints Education Laws & Rules News Statements of Economic Interest About Us Coverage

home > coverage > covered persons

Coverage

Covered Persons

The Commission must identify and publish at least quarterly a listing of the names and positions of all persons subject to Chapter 138A, the State Government Ethics Act, as covered persons or legislative employees. N.C.G.S. §138A-11. The most recent version of that list follows:

- ▶ [Legislative Employees](#)
- ▶ [Legislators](#)
 - House of Representatives Members 2011-2012
 - Senate Members 2011-2012
- ▶ [Judicial Officers](#)
- ▶ [Public Servants - Judicial Employees](#)
- ▶ [Public Servants - Executive Branch, University, and Community College Employees](#)
- ▶ [Public Servants - Members of State Boards and Commissions, including University and Community College Boards of Trustees](#)

PLEASE NOTE: This is a "snapshot" of covered persons and legislative employees. People are added to and removed from these lists on a regular basis. For the most current information available, please contact the Ethics Commission Staff or the person's "Employing Entity".

More Information

- ▶ [Introduction](#)
- ▶ [Covered Boards](#)
- ▶ [General Categories of Covered Persons](#)
- ▶ [Covered Persons](#)
 - ▶ [Legislative Employees](#)
 - ▶ [Legislators](#)
 - ▶ [House 2011-2012](#)
 - ▶ [Senate 2011-2012](#)
 - ▶ [Judicial Officers](#)
 - ▶ [Public Servants - Judicial Employees](#)
 - ▶ [Public Servants - Executive Branch, University, and Community College Employees](#)
 - ▶ [Public Servants - Members of State Boards and Commissions, including University and Community College Boards of Trustees](#)

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GIFT BAN EXCEPTIONS **

N.C.G.S. §138A-32(e)

21

- I. FOOD & BEVERAGES FOR “IMMEDIATE CONSUMPTION”
- II. MEETING & CONFERENCE EXPENSES
- III. GIFTS TO NON-PARTISAN ORGANIZATIONS
- IV. INFORMATIONAL MATERIALS
- V. GIFTS TO FAMILY, FRIENDS, OTHERS

**Even if Allowed by Exception, May Still Be Reportable

FOOD & BEVERAGE:

Open Meetings & Gatherings Open to Public

N.C.G.S. 138A-32(e)(1)



22

Food & Beverage for “Immediate Consumption”

Open Meeting of Public Body

Properly noticed under the
Open Meetings Law

N.C.G.S. §138A-32(e)(1)a

Gathering Open to the General Public

- ✓ 10 or more attendees
- ✓ Sign or other Communication
Outside Gathering Indicating
Open to the Public

N.C.G.S. §138A-32(e)(1)b

FOOD & BEVERAGE:

Specific Invitees

N.C.G.S. 138A-32(e)(1)c



Food & Beverage for Immediate Consumption

Invite “Qualifying Group”

- All House or Senate members;
- All Members of County or Municipal Legislative Delegation;
- Recognized Caucus;
- Committee/Commission of General Assembly;
- All Legislative Employees; **or**
- Public Servant’s Entire Board or at Least 10 Public Servants.

AND

At Least 10 People
Associated With Sponsor(s)
Attend; **or** All
Shareholders, Employees,
Bd. Members, Officers,
Members, Subscribers
Located in NC are
Invited.

FOOD & BEVERAGE: INVITE

24

- Written Notice by **At Least One Sponsor** to All Members Of **At Least One** of the Qualifying Groups (E-Mail Permitted)
- Sent 24 Hours in Advance
- Include Date, Time & Location of Event
- Include Statement That “Gathering Permitted” Under Section

FOOD & BEVERAGE

“Official Duty” for Public Servants

N.C.G.S. §138A-32(e)(12)

25

- Food & Beverage for Immediate Consumption
- Organized gathering where
 - ✓ Public Servant’s Attendance is **Primarily Related to Public Position** and and
 - ✓ **10 Individuals** other than Public Servant or Immediate Family Attend or
 - ✓ All Individuals connected with Sponsor(s) in Specific NC Office or County are Notified & Invited.



MEETINGS & CONFERENCES

N.C.G.S. 138A-32(e)(3)(i)-(iv)



26

Lobbyist Principal (**not
Lobbyist or Interested
Person**)

- Can Pay **Reasonable Actual Expenditures** for Food & Beverage, Travel, Registration, Lodging, Incidental Items of Nominal Value, Incidental Entertainment.

➤ Categories of Meetings:

- ✓ “Educational” Meeting (primarily related to public duties; see 30 NCAC 07C .0101);
- ✓ Designated Individual is a “bona fide speaker or panel member”;
- ✓ Attendance at Meeting of Nonpartisan Organization Where Agency is a Member or Designated Individual a Member Due to Public Position.

MEETINGS & CONFERENCES



27

- Meeting has Formal Agenda, Notice Given at Least 10 Days in Advance, and Attended by at Least 10 Participants

- Food, Beverage, Transportation & Entertainment Must Be:
 - ✓ Provided to All Attendees or Defined Groups of 10 or More; and,
 - ✓ Part of or In Conjunction with Meeting

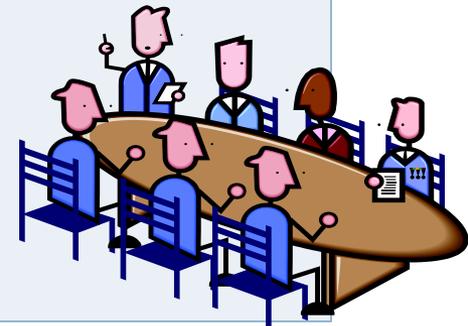
- Entertainment Must be **Incidental** to the Principal Agenda

WHAT IS AN “EDUCATIONAL” MEETING?

28

Commission-Adopted Criteria Considers:

- The Type of Individual or Entity Hosting Meeting?
- Primary Purpose to Influence Or to Promote Learning for Professional Improvement Notwithstanding a Particular Executive or Legislative Action?
- Is Lobbyist Principal Paying for Meeting Expenditures Also Hostin the Meeting?
- Meeting Agenda/Length (Diverse Topics and Speakers, Full Agenda, Limited Entertainment and Meals)?
- Location (Raleigh, NYC, Fiji)?



MEETINGS & CONFERENCES

Reimbursable Expenses for Public Servants

N.C.G.S. §138A-32(f)



29

Applies **ONLY** to Public Servants & **NOT** legislators or legislative employees.

- Any Expense That Would Otherwise Be Reimbursable by the State if
 - ✓ Public Servant Received Approval in Advance from Employing Entity to Accept the Expense on Behalf of the State

- Actual Expense *May* Exceed State Rate

NONPARTISAN AGENCY ORGANIZATIONS:

Gifts Made Directly to Organization

N.C.G.S. §120C-303(d) and (e)

30

Both Direct and Indirect Gifts are Allowed if They Are:

- Made by a Lobbyist or Lobbyist Principal Directly to
- Nonpartisan State, Regional, National, or International Organization of which
- Agency is a Member or
- Designated Individual is a Member or Participant by Virtue of Public Position



INFORMATIONAL MATERIALS

N.C.G.S. 138A-32(e)(2)

31

➤ Informational Materials Relevant to Designated Individual's Public Duties

- ✓ Books
- ✓ DVDs
- ✓ Magazines
- ✓ Newspapers



FAMILY, FRIENDS, & OTHERS

Extended Family

N.C.G.S. §138A-32(e)(7)

32

- Gifts to **Extended Family** Member
- Still Subject to Reporting



FAMILY, FRIENDS & OTHERS:

Other Relationships

N.C.G.S. §138A-32(e)(10)

33

Gifts based on Business, Civic, Religious, Fraternal, Personal, or Commercial Relationship Permitted if:

- Relationship is Not Related to the DI's Public Position and
- Reasonable Person Would Conclude not Given for "Lobbying"



Plaques & Non-Monetary Mementos

N.C.G.S. §138A-32(e)(4)

34

- A Plaque or Similar Non-Monetary Memento Recognizing Designated Individual's Services in a Field or Specialty or to a Charitable Cause



UNC SYSTEM ATHLETIC TICKETS

N.C.G.S. 120C-501(e)

35

- UNC Board of Governors, UNC Constituent Institutions, or their Legislative Liaisons
- Cannot Give Designated Individuals
- Athletic Tickets
- For Lobbying (Direct Lobbying or Goodwill Lobbying)



HONORARIA

N.C.G.S. 138A-32(h)

36

- **Acceptance Restricted From All Donors**
(Not Limited to L, LP, IP Donors)
- If Legislator, Legislative Employee, Judicial Officer or Public Servant:
 - ✓ Invited Because of Public Position
 - ✓ Used State Resources or Reimbursed by State, or
 - ✓ Used State Time
- But, May Reimburse Agency for Expenses or Pay Fee



GIFT BAN REMINDERS

37

- Gift Ban Applies at All Times
- Commission May Designate other Boards and Commissions as Covered by the State Ethics Act
- Check the Commission's Website to Determine if Designated Individual = Covered by Gift Ban
- Even if Allowed to Give, May Need to Report



38

OTHER REQUIREMENTS & RESTRICTIONS

LOBBYING LAW

REQUIREMENTS & RESTRICTIONS

39

- Lobbyist Must Identify Him/Herself as a Lobbyist and Disclose Identity of LP Prior to Any Lobbying Communication or Activity With DI

N.C.G.S. §120C-201(e)



- Lobbyist Cannot Accept a Fee Contingent Upon the Outcome of Lobbying

N.C.G.S. §120C-300

- ✓ Exception for Sales People Whose Regular Remuneration Agreement Includes Commissions Based on Sales



LOBBYING LAW

REQUIREMENTS & RESTRICTIONS

40

- Lobbyist Cannot Serve as Campaign Treasurer or Assistant Campaign Treasurer for a Political Committee for Legislator or Constitutional Officer
- Lobbyist Cannot Allow a DI or a DI's Immediate Family to Use Lobbyist's Cash or Credit, Unless Lobbyist Present

N.C.G.S. §120C-305 (**But Don't Forget gift ban**)

LOBBYING LAW

REQUIREMENTS & RESTRICTIONS

41

- Lobbyist Ineligible for Appointment To State Board Which has Regulatory Authority Over Entity Lobbyist Currently Represents or Has Within 120 Days after Lobbyist's Registration Expired



LOBBYING LAW REQUIREMENTS & RESTRICTIONS

42

“Cooling Off Period” N.C.G.S. §120C-304

The Following Cannot Be **Lobbyists**:

- Legislator or Former Legislator
 - ✓ While in Office; or
 - ✓ Before the **Later** of:
 - ✓ The Close of the Session (Sine Die) In Which the Legislator Served or
 - ✓ Six Months After Leaving Office

- Constitutional Officers and Heads of Principal State Departments
 - ✓ While in Office or Employed, or
 - ✓ Within 6 Months Thereafter



LOBBYING LAW REQUIREMENTS & RESTRICTIONS

43

“Cooling Off Period” N.C.G.S. §120C-304



- Former State Agency Employee Cannot Become A Lobbyist to Lobby That Agency
- Within Six Months After
 - ✓ Voluntary Separation or
 - ✓ Separation for Cause
- If Former Employee Registers Within 6 Months of Separation, Must Identify Former Agency N.C.G.S. §120C-200(f)



LOBBYING EDUCATION: PART II

REGISTRATION, REPORTING, ENFORCEMENT

REGISTRATION

- Who Must Register?
- When Must Individuals Register?



Who Must Register?

46

- ✓ Liaison Personnel
- ✓ Local Government Liaisons
- ✓ Lobbyists
- ✓ Lobbyist Principals
- ✓ Solicitors



LIAISON PERSONNEL MUST REGISTER

N.C.G.S. §120C-500, -501 and -502

47

- State Employee
- Local Government Employee
- Engaged in Lobbying **Legislators** or **Legislative Employees**
 - ✓ NOT a “Lobbyist”
 - ✓ “Cooling Off” Period Does Not Apply. AO-L-11-005
 - ✓ State or Local Entity is NOT a Lobbyist Principal
 - ✓ **Liaison** Must Register and Report Gifts, Reportable Expenditures
 - ✓ Gift Ban Applies Only to Gifts from **Liaison** to **Legislators and Legislative Employees**



A “LOBBYIST” MUST REGISTER

48

Who is a Lobbyist?

- Individual Who Engages in Lobbying
- For Payment\$\$



WHAT IS “LOBBYING?”

N.C.G.S. §120C-100(a)(9) a. and b.

49

“Direct” Lobbying

- Direct Communications or Activities
- With a Designated Individual or Designated Individual’s Immediate Family Member
- Designed to Influence “Legislative” or “Executive” Action



“Goodwill” Lobbying

- Developing Goodwill Through Communications and Activities, Including the Building of Relationships
- With a Designated Individual or Designated Individual’s Immediate Family Member
- With the Intention of Influencing Current or Future “Legislative” or “Executive” Action



COMMUNICATIONS OR ACTIVITIES WITH A DI OR DI'S IMMEDIATE FAMILY

50

Designated Individuals

- Legislators, Legislative Employees
- Public servants (N.C.G.S. §138A-3(30))
- *Candidates for General Assembly and Council of State Upon Filing of Notice of Candidacy (N.C.G.S. § 120C-104)*

DESIGNED TO INFLUENCE “LEGISLATIVE ACTION”

N.C.G.S. §120C-100(a)(5)

51

Legislative Action:

- Steps in the Legislative Process Taken by a Legislator or Legislative Employee:
 - ✓ Preparation – Introduction – Consideration – Passage or Rejection of
 - ✓ Bill – Resolution – Amendment – Motion

- Also Includes Consideration of any Bill by the Governor for Approval or Veto



DESIGNED TO INFLUENCE EXECUTIVE ACTION

N.C.G.S. §120C-100(a)(3)

52

Executive Action:

➤ Official Actions Taken by a **Public Servant**

- ✓ Consider – Prepare – Approve – Postpone – Reject
- ✓ Policy – Procedure – Guideline – Rule – RFP – Invitation for Bid



NOT “EXECUTIVE ACTION”

N.C.G.S. § 120C-100(a)(3)a.-b.

53

Exempt from Definition of Executive Action:

- 150B Contested Case Proceedings
- Applying for a Permit, License, Determination of Eligibility, or Certification
- Inquiring about a Benefit, Claim, Right, Obligation, Duty, Entitlement, Payment, or Penalty
- Inquiring About or Responding to an RFP Under Ch. 143
- Ratemaking



NOT “EXECUTIVE ACTION”

N.C.G.S. § 120C-100(a)(3)c.-e.

54

- Internal Administrative Functions
- Ministerial Functions
- Public Servant’s Communication About
 - ✓ Public or Written Comments Made at an Open Meeting in Response to a Request for Public Comment if
 - ✓ Identity of Person on Whose Behalf Comments are Made is Disclosed as Part of Public Participation and
 - ✓ No Reportable Expenditure is Made



WHAT IS “PAYMENT?”

55

- Firm-Employed Lobbyist – Employed by a Firm and Lobbies for Entity or Individual That Hired Firm N.C.G.S. 120C-100(a)(10)b.
- Contract Lobbyist – Contracts *With Lobbyist Principal* for Payment for Lobbying N.C.G.S. 120C-100(a)(10)c.



WHAT IS PAYMENT?



56

- Employee Lobbyist – Employee And a “Significant Part” of Duties Include Lobbying
 - ✓ Significant Part = Employee’s Actual Duties Include **Either**
 - ✓ 5% or More of Direct Lobbying in any 30-Day Period
 - ✓ 5% or More of Goodwill Lobbying in any 30-Day Period

WHO IS NOT A “LOBBYIST”?

N.C.G.S. § 120C-700

57

- Expressing A Personal Opinion & Not A “Lobbyist”
- By Invitation of Member of Committee or Board, No Further Lobbying Activities
- Person Responding to Inquiries from a Designated Individual, No Further Lobbying Activities
- Governmental Officials & Employees When Acting Solely in Connection with Matters Pertaining to Their Public Duties (Not Liaison)
- Designated Individuals Acting in Their Official Capacity
- Persons Performing Professional Services in Drafting Bills or Advising on Effect of Official Action
- Political Committee as defined in N.C.G.S. §163-278.6(14)

A LOBBYIST PRINCIPAL MUST REGISTER

N.C.G.S. §120C-100(a)(11)

58

- Entity, Individual, or Governmental Unit on Whose Behalf the Lobbyist Lobbies **and** Who Pays for the Lobbying
- If Lobbyist Paid by a Firm Retained By the Entity, Individual, or Governmental Unit, the Principal is the Person Whose Interests the Lobbyist Represents
- If the Lobbyist is Retained by an Organization or Association, the Principal is the Organization or Association, Not Its Members



“SOLICITATION OF OTHERS”

N.C.G.S. §120C-101(a)(13)



59

What Is Solicitation of Others?

- Request That Members of the Public
- Communicate With Designated Individuals
- For purpose of:
 - ✓ Influencing Legislative or Executive Action
 - ✓ To Further Solicitor’s Position
- Includes:
 - ✓ Broadcasts (T.V. and Radio)
 - ✓ E-Mail, Telephone, Letter
 - ✓ Website Posting
 - ✓ Print Media
 - ✓ Conference or Meeting

SOLICITATION OF OTHERS

N.C.G.S. §120C-215



60

Person not Otherwise Required to Register and Report Must Register & Report When

- Total Expenses for “Solicitation of Others”
- Exceeds \$3,000 During any 90-Day Period

Excludes

- Any Communication Made to the Person’s Stockholders, Employees, Board Members, Officers, Members, Subscribers
- Communications with Those Who Have Agreed to Receive Regular Publications or Notices

LOBBYIST REGISTRATION AND FEES

N.C.G.S. §120C-200; -201

61

- Must Register with Secretary of State within One Business Day of Lobbying.
- Employee Lobbyist Must Register Within One Business Day of Reaching 5% Threshold.
- Lobbyist Must File a Separate Registration for **Each** Principal.
- \$250 fee for Each Registration

LOBBYIST PRINCIPAL AUTHORIZATION AND FEE

N.C.G.S. §120C-206

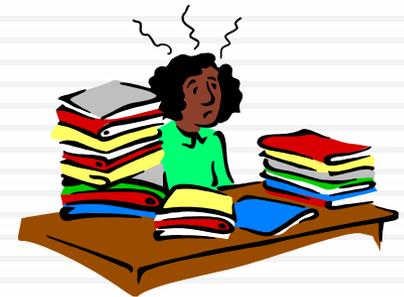
62

- LP Must File Authorization Within 20 Business Days after Lobbyist Registers
- \$250 Fee
- Must File Amended Authorization Form within 10 Business Days of any Change in Information Provided on Registration Form



WHAT MUST BE REPORTED?

- ✓ Reporting of Gifts
- ✓ Reporting of Other Reportable Expenditures for Lobbying
- ✓ Reporting of Payments for Services



WHAT DOES A LOBBYIST PRINCIPAL REPORT?

N.C.G.S. §120C-403(b), (c), (d), (e)

64

Lobbyist Principal Reports What the Principal Paid for (Including Items for which Lobbyist was Reimbursed):

- “Reportable Expenditures” for Gifts Over \$10 in Value to DI/Immediate Family Per Day
- Other “Reportable Expenditures” Made for Lobbying Over \$10 in Value Per DI/Immediate Family Per Day
- “Solicitation of Others” Expenditures in Excess of \$3,000
- Payments to Lobbyists for Lobbying and for Certain Communications and Activities Used to Lobby
- Name of Each Person or Governmental Unit to Whom the Lobbyist Principal “Loaned” its Lobbyist

WHAT DOES A LOBBYIST PRINCIPAL REPORT?

N.C.G.S. §120C-400(b)

65

Do Not Need to Report Following Items Given to A State Agency as Long as Agency Maintains Public Record of Item:

➤ Cash



➤ Fixed Asset



WHAT DOES A LOBBYIST REPORT?

N.C.G.S. §120C-402(b)

66

- Lobbyist Reports Items For Which Lobbyist Paid (If Reimbursed, Principal will Report)
 - ✓ “Reportable Expenditures” made for Lobbying
 - ✓ “Solicitation of Others” Costs Over \$3,000
 - ✓ Gifts Over \$10 in Value

WHAT DOES A LIAISON REPORT?

N.C.G.S. §120C-402(b)

67

- Liaison Reports Items For Which the Liaison Paid, Whether or Not Reimbursed
 - ✓ “Reportable Expenditures” Made for Lobbying
 - ✓ Gifts Over \$10 in Value

WHAT IS A “REPORTABLE EXPENDITURE?”

N.C.G.S. §120C-100(a)(12)

68

- Anything Greater Than \$10 in Value Per DI or Immediate Family Per Calendar Day (Separately or Cumulatively)
- That is Directly or Indirectly:

✓ Made to



✓ At the Request of



✓ For the Benefit of

✓ On Behalf of



DI or Immediate Family

WHAT REPORTABLE EXPENDITURES MUST BE REPORTED?

69

- Gifts Given to a DI by a Lobbyist, Lobbyist Principal, or a Liaison With Value Greater than \$10 per DI per Calendar Day
 - ✓ LP “(e)(10)” Gifts are Not Required to Be Reported Until the Value is Greater than \$200

- Expenditures Greater Than \$10/Day That Are Not Gifts But Are Made for Lobbying
 - ✓ Made at the Request of or On Behalf of DI or DI’s Immediate Family Or
 - ✓ Made for the Benefit of Immediate Family

WHAT REPORTABLE EXPENDITURES MUST BE REPORTED?

70

Other Expenditures That Are Made for Lobbying

- Overhead Expenses Connected with Events Held for Lobbying 30 NCAC 10C.0302
 - ✓ Planning and Organizing Services
 - ✓ Outside Printing Services
 - ✓ Facility Rental
 - ✓ Name Badges
 - ✓ Flowers and other Decorations



WHAT REPORTABLE EXPENDITURES MUST BE REPORTED?

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- Do Not Report Expenditures That Were “Promptly Paid for or Returned” by DI N.C.G.S. 120C-401(i)
- If Reported, Report Return or Repayment on Next Report Due
- Designated Individual or Immediate Family Also Has Option of Reporting that Item was Paid for, Returned, or Donated to Charity. N.C.G.S. 120C-401(j)



REPORT DETAILS

N.C.G.S. §120C-401(b) and §120-401(c)

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For Each Reportable Expenditure Must Include:

- Fair Market Value or Face Value of Expenditure
- The Date of the Expenditure
- A Description of the Expenditure 30 NCAC 10C.0104
- The Name and Address of the Payee or Beneficiary
- The Name of Any DI and That DI's Immediate Family Member Connected with the Expenditure
- Category of Reportable Expenditure



REPORTING NAMES OF DI'S AND DI IMMEDIATE FAMILY

N.C.G.S. §120C-401(b)(5); 30 NCAC 10C.0105

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- Report the Names of Any DI and any DI Immediate Family Member “Connected With” the Reportable Expenditure
 - ✓ DI or IF That Received or Benefited From the Reportable Expenditure
 - ✓ DI or IF That Requested the Reportable Expenditure
 - ✓ DI or IF On Whose Behalf the Reportable Expenditure Was Made



EXCEPTIONS TO REPORTING NAMES

N.C.G.S. §120C-401(b1)-(b2)

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- When More Than 15 DI's Benefit From or Request a Reportable Expenditure, May Report:
 - ✓ Approximate Number Benefiting or Requesting
 - ✓ Description of the Group
 - ✓ Approximate # of DI Family Members Benefiting Must be Listed Separately

- If Gift Given With Intent That Any DI be An Ultimate Recipient and L or LP Does Not Know Name(s) of Recipient(s), May Report:
 - ✓ Description of DI and Family That Clearly Distinguishes its Purpose or Composition
 - ✓ Approximate Number If Known

REPORTABLE EXPENDITURE CATEGORIES

N.C.G.S. §120C-401(c)

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Reportable Expenditures Must Be Reported Using the Following Categories:

- ✓ Transportation and lodging
- ✓ Entertainment
- ✓ Food and Beverages
- ✓ Meetings and Events
- ✓ Gifts
- ✓ Other Reportable Expenditures

ANNUAL REPORTING OF PAYMENTS TO A LOBBYIST FOR LOBBYING

N.C.G.S. §120C-403(d) and (e)

76

In the Last Report a Lobbyist Principal Files for the Registration Year it Must Report the Cumulative Combined Total of All Payments to a Lobbyist for:

- Lobbying, Direct and Goodwill
- Communications and Activities That Were Used to Lobby
 - ✓ Research
 - ✓ Drafting of Written Communications
 - ✓ Monitoring of Proposed or Pending Legislative or Executive Action
 - ✓ Time Spent Advising and Rendering Opinions to LP as to Construction and Effect of Proposed or Pending Legislative or Executive Action

PAYMENT

N.C.G.S. §120C-100(a)(11k)

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Defined As:

- Any Money, Thing of Value, or Economic Benefit
 - ✓ Conveyed to a Lobbyist
 - ✓ For Lobbying

- Excludes Reimbursement of:
 - ✓ Actual travel
 - ✓ Administrative Expenses
 - ✓ Subsistence



FILING DEADLINES

N.C.G.S. §120C-401(e)-(f)

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2014 Expense Report Due Dates

Reporting Periods

January 2014 Monthly*

February 2014 Monthly*

1st Quarter 2014

April 2014 Monthly*

May 2014 Monthly*

2nd Quarter 2014

July 2014 Monthly*

August 2014 Monthly*

3rd Quarter 2014

Due Dates

February 14, 2014

March 14, 2014

April 22, 2014

May 14, 2014

June 13, 2014

July 22, 2014

August 14, 2014

September 15, 2014

October 21, 2014

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INVESTIGATIONS & VIOLATION CONSEQUENCES



JURISDICTION

N.C.G.S. § 120C-601 through -603

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State Ethics Commission:

- Investigate Complaints of Violations of Ch. 120C, Except for Matters Related Solely to t. 2, 4, & 8

Secretary of State:

- Perform Systematic Reviews of Reports Filed by L & LP
- Investigate Complaints of Violations Related Solely to Articles 2, 4, & 8

Violation Consequences

N.C.G.S. § 120C-602

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Criminal

- Class 1 Misdemeanor for:
 - ✓ Failure to Register (Art. 2)
 - ✓ Violation of Gift Ban
 - ✓ Miscellaneous Prohibitions/Restrictions in Art. 3

- If Convicted, Cannot Lobby for 2 Years

Civil

- Secretary of State or Commission May Levy Civil Fines for Violations Of Ch. 120C Up to \$5,000/Violation

UNTIMELY FILING

120C-401(e) and (f)

82

- Failure to Timely File
 - ✓ Secretary of State Must Send Certified Letter
 - ✓ 20 Days to File Report and Pay Late Fee of \$50/day – Maximum of \$500
- Failure to File after Notice Voids Registration



STATE ETHICS COMMISSION

Contact Information

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Location:

- 424 N. Blount Street
Raleigh, NC 27601-1010

Mailing Address:

- 1324 Mail Service Center
Raleigh, NC 27699-1324

Phone:

- (919) 715-2071

Fax:

- (919) 715-1644

Email:

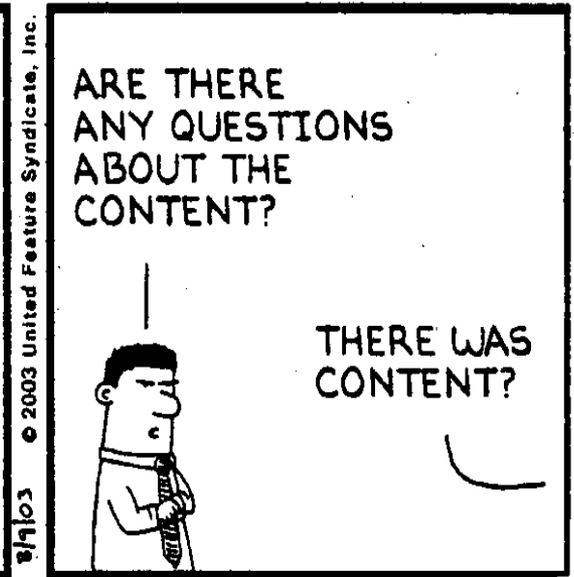
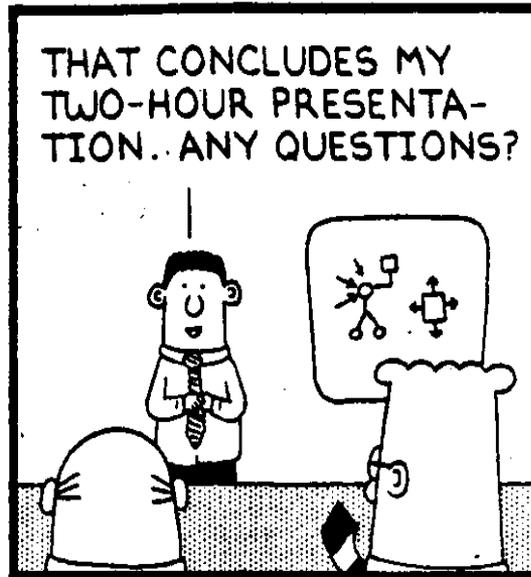
- ethics.commission@doa.nc.gov

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ANY QUESTIONS?

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DILBERT



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