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General Government Division

B-274543

October 23, 1996

The Honorable Carl Levin  
Ranking Minority Member  
Subcommittee on Oversight of Government  
Management and the District of Columbia  
Committee on Governmental Affairs  
United States Senate

Dear Senator Levin:

This letter responds in part to your April 1, 1996, request for information on the number of organizations and individuals who registered or were identified by employers on their registration forms as lobbyists with the Secretary of the Senate. You also requested information on changes in the types of organizations registered under these laws, which we will provide to you at a later date. Specifically, our objective was to compare the total number of organizations and individuals, including self-employed lobbyists, who were registered as of December 31, 1995, under the 1946 Federal Regulation of Lobbying Act to the total number who were registered or identified as of June 17, 1996, under the Lobbying Disclosure Act of 1995. The 1995 act repealed the 1946 act and went into effect on January 1, 1996.

Under the 1946 act, individuals, whether employed by an organization to lobby or self-employed, could be registered as lobbyists.<sup>1</sup> The 1995 act changed the way lobbyists, particularly employees of organizations that engage in lobbying activity, and self-employed lobbyists are to be registered and identified. Under the 1995 act, both (1) self-employed lobbyists; and (2) lobbying firms and organizations, such as corporations and associations that employ in-house lobbyists, are to register as organizations and report lobbying activities to the Secretary of the Senate and the

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<sup>1</sup>The 1946 act did not distinguish between organizations and individuals or between individuals who were employed by organizations and those who were self-employed.

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Clerk of the House. These firms or organizations are further required to identify the names of individuals who are expected to act as lobbyists.<sup>2</sup>

In addition to changes in the manner in which organizations, self-employed lobbyists, and individuals are to be registered and identified, the 1995 act contains changes in other areas that may affect the number of registrations. These changes include the definitions of the terms "lobbying activities" and "lobbyist" and the enforcement mechanism for a failure to register. It was not within the scope of this review to analyze the differences between the two acts or to determine the reasons for the differences in the number of registered or identified lobbyists.

## RESULTS

We found that the combined number of organizations and individuals who were registered or identified as lobbyists has more than doubled under the 1995 act, from 6,078 as of December 31, 1995, under the 1946 act, to 12,754 as of June 17, 1996. The number of organizations increased from 1,299 to 2,778, or by about 114 percent. The total number of individuals registered or identified as lobbyists increased from 4,779 to 9,976, or by about 109 percent. This 9,976 includes 447 lobbyists whom we categorized as self-employed lobbyists under the 1995 act. Table 1 shows a breakdown of organizations, self-employed lobbyists, and individuals who were registered or identified as lobbyists under both acts.

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<sup>2</sup>According to the Lobbying Disclosure Act of 1995, a lobbyist refers to any individual who is employed or retained by a client for financial or other compensation for services, which include more than one lobbying contact, and spends 20 percent or more of the time engaged in lobbying activities for that client over a 6-month period.

Table 1: Numbers of Registered or Identified Lobbyists Under the Two Acts

Lobbyists	Under 1946 act (1995 data)	Under 1995 act (1996 data) <sup>a</sup>
Organizations <sup>b</sup>	1,299	2,778
Self-employed	<sup>c</sup>	447
Individuals	4,779 <sup>d</sup>	9,529
Total	6,078	12,754

<sup>a</sup>The 1996 data include lobbyists registered or identified as of June 17, 1996.

<sup>b</sup>These numbers include organizations and exclude self-employed lobbyists based on our judgmental determination (see Scope and Methodology).

<sup>c</sup>Because both employees of organizations and self-employed lobbyists could register as individuals under the 1946 act, it is not possible to determine how many of the individuals registered as lobbyists were self-employed.

<sup>d</sup>This number includes any self-employed lobbyists.

Source: GAO analysis of Secretary of the Senate data.

### SCOPE AND METHODOLOGY

To compare the number of organizations and individuals registered under the 1946 act and registered and identified under the 1995 act, we obtained from the Secretary of the Senate an electronic database of the 1995 registered lobbyists and another database of the 1996 registered and identified lobbyists. We did not independently verify the electronic databases against actual registration forms filed with the Secretary of the Senate.

We edited the 1995 database to correct misspellings and variations in usage of abbreviations and punctuation. We then eliminated duplicate listings. On the basis of a registrant's name in the edited database, we judgmentally categorized the registrant as either an individual or an organization. We did not categorize self-employed lobbyists because the 1995 database did not and was not expected to contain information on whether a lobbyist was self-employed or employed by an organization.

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We based our count of lobbyists registered under the 1946 act on this edited 1995 database.

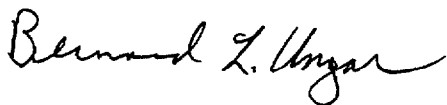
We also edited the 1996 database to eliminate duplicate names of registered organizations, including self-employed lobbyists, and identified employees, thereby counting each organization, employee, and self-employed lobbyist only once. We used a two-step process to distinguish self-employed lobbyists from registered organizations. First, we counted as self-employed lobbyists those organizations for which the names of the registrant and the identified employee were identical. Second, we identified all organizations that did not list the name of an employee and judgmentally categorized these as either self-employed lobbyists or organizations on the basis of the name of the registrant.

We did our work in Washington, D.C., from June 1996 to September 1996 in accordance with generally accepted government auditing standards. We submitted a draft of this letter to the Secretary of the Senate for review and comment on October 18, 1996. The Secretary had no comment.

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As agreed with your office, we plan no further distribution of this letter until 30 days after its issuance, unless you publicly release its contents earlier. We will then send copies to the Chairman of the Subcommittee; the Secretary of the Senate; the Chairman and the Ranking Minority Member of the Subcommittee on the Constitution, House Committee on the Judiciary; and the Clerk of the House, and we will make copies available to others upon request. If you have any questions, please call me on (202) 512-4232 or Terry Draver on (202) 512-5815.

Sincerely yours,



Bernard L. Ungar  
Associate Director  
Federal Management and Workforce Issues

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