

April 2009

2008 LOBBYING DISCLOSURE

Observations on Lobbyists' Compliance with Disclosure Requirements



GAO

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Highlights of [GAO-09-487](#), a report to congressional committees

Why GAO Did This Study

The Honest Leadership and Open Government Act (HLOGA) of 2007 amended the Lobbying Disclosure Act of 1995 by doubling the frequency of lobbyists' reporting and increasing criminal and civil penalties. This is GAO's second report in response to the Act's requirement for GAO to annually (1) determine the extent to which lobbyists can demonstrate compliance with the Act by providing support for information on their registrations and reports, (2) describe challenges identified by lobbyists to complying with the Act, and (3) describe the resources and authorities available to the U.S. Attorney's Office for the District of Columbia's efforts to enforce the Act. For this report, GAO placed increased emphasis on written documentation to support disclosure reports. GAO reviewed a random sample of 100 lobbyist disclosure reports filed during the first three quarters of calendar year 2008. GAO also selected a random sample of 100 reports of federal political contributions, filed for the first time, for mid-calendar-year 2008. This methodology allowed GAO to generalize the sample results to the populations of 40,169 lobbying activity disclosure reports and 6,048 reports with contributions filed. GAO met with lobbyists regarding their filings and with the U.S. Attorney's Office for the District of Columbia regarding resources, authorities, and efforts to focus resources on lobbyists who fail to comply with the Act.

What GAO Recommends

GAO makes no new recommendations in this report.

[View GAO-09-487](#) or [key components](#). For more information, contact George Stalcup at (202) 512-6806 or stalcupg@gao.gov.

2008 LOBBYING DISCLOSURE

Observations on Lobbyists' Compliance with Disclosure Requirements

What GAO Found

While there are no specific requirements for lobbyists to create or maintain documentation related to disclosure reports they file under HLOGA, GAO's review showed that lobbyists were generally able to provide documentation, although in varying degrees, to support items in their disclosure reports.

For income and expenses, two key elements of the disclosure reports, lobbyists could provide written documentation for an estimated 99 percent of the reports. However, in approximately 14 percent of cases, the documentation provided either was incomplete or contradicted the reported amount of income or expense. In addition to income and expenses, GAO reviewed five other data elements in the disclosure reports, and lobbyists who were required to report on these elements could provide documented support for all items in an estimated 35 percent of the reports. As of March 18, 2009, lobbyists had amended 12 disclosure reports included in GAO's sample to make corrections on one or more data elements.

For political contribution reports, filed for the first time in 2008, GAO estimates that 65 percent of the reports could be supported by FEC data or documentation provided by lobbyists. An estimated 16 percent of the reports contained erroneous entries or failed to disclose required contributions.

The majority of lobbyists who newly registered with the Secretary of the Senate and Clerk of the House in the first three quarters of 2008 filed required disclosure reports for the period. However, for about 13 percent of the registrants, GAO could not identify a corresponding report on file for their lobbying activity, likely because either a report was not filed or reports that were filed contained information, such as client names, that did not match.

Similar to GAO's findings in the first review of lobbying disclosure, most lobbyists felt that existing guidance for filing required registrations and reports was sufficient. However, GAO's review of documentation and lobbyists' statements indicates some opportunities to strengthen lobbyists' understanding of the requirements. Some small firms and sole proprietors indicated they did not understand the requirement for both firms and individual lobbyists to file reports on financial contributions. GAO continues to believe, as noted in its first report, that the lobbying community could benefit from creating an organization to focus on sharing best practices, providing training, and reporting on opportunities to minimize potential confusion.

In response to an earlier GAO recommendation, in April 2009 the U.S. Attorney's Office for the District of Columbia (the Office) plans to put in place a system to better track, analyze, and report on its enforcement activities. The Office also has assigned an additional staff member to assist with lobbying compliance issues.

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Abbreviations

DOJ	Department of Justice
FEC	Federal Elections Commission
FECA	Federal Election Campaign Act
HLOGA	Honest Leadership and Open Government Act of 2007
PAC	political action committee

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Congressional Committees

Questions regarding the influence of special interests in the formation of government policy have led to a move toward more transparency and accountability with regard to the lobbying community. The Honest Leadership and Open Government Act of 2007 (HLOGA), signed into law on September 14, 2007, amends the Lobbying Disclosure Act of 1995 (the Act), by doubling the frequency of lobbyists' reporting from semiannually to quarterly, increasing civil penalties, and adding criminal penalties. The law also requires GAO to use a random sample to annually determine the extent to which lobbyists are able to provide support for information contained in their reports and registrations, provide recommendations related to improving compliance by lobbyists with the Act, and report on resources and authorities available to the Department of Justice (DOJ) for effective enforcement of the Act. GAO's initial report covered registrations and reports filed during the first calendar quarter of 2008. Subsequent GAO reports, including this one, are to be submitted annually by the beginning of April and will include a review of registrations and reports filed during the preceding calendar year.

Protecting the integrity of governmental processes and procedures from corruption and undue influence is vital to upholding the principles and public trusts of the U.S. government. Lobbying regulations began with the Federal Regulation of Lobbying Act of 1946,¹ which required lobbyists to register with the Secretary of the Senate and the Clerk of the House of Representatives (Clerk of the House), disclose the identities of their clients, report the receipts and expenses involved, and describe the nature of the legislative objectives that were pursued for each client. Lobbying was interpreted under the 1946 Act as direct communication with a member of Congress in an attempt to influence the passage or defeat of any proposed or pending legislation.² Congress replaced this law with the Lobbying Disclosure Act of 1995.³ The Act expanded the definition of lobbying to include communications with covered employees in both the

¹ Pub. L. 79-601, tit. III, 60 Stat. 839 (1946).

² See *United States v. Harriss*, 347 U.S. 612, 619 (1954).

³ Pub. L. 104-65, 109 Stat. 691 (1995).

legislative and executive branch regarding legislation, regulations, policies, or the nomination or confirmation of a person for a position subject to confirmation by the Senate. The Act required lobbyists to file registrations with the Secretary of the Senate and the Clerk of the House and to report semiannually on their lobbying activities, which include both lobbying contacts and work done in preparation for lobbying contacts. In 2007, HLOGA amended the Act by requiring more frequent filings and lowering thresholds for disclosures, increasing penalties for noncompliance, and requiring new semiannual reports detailing certain political contributions. The sense of Congress as stated in HLOGA was that the lobbying community should propose organizations to develop standards for the profession and provide training. HLOGA became effective in January 2008.

Consistent with the audit and report requirements of HLOGA,⁴ our objectives were to:

- determine the extent to which lobbyists can demonstrate compliance by providing support for information on registrations and reports filed in response to requirements of the amended Lobbying Disclosure Act;
- identify the challenges lobbyists cite in complying with the Act and suggestions for improving compliance; and
- describe the resources and authorities available to effectively enforce the Act including the efforts by the U.S. Attorney's Office for the District of Columbia to implement a structured approach to focus limited resources on lobbyists who continually fail to comply with the Act as recommended in GAO's prior report.

To respond to the requirements of the Act, we:

- Selected a random sample of 100 quarterly lobbying activity disclosure reports (commonly referred to as the LD-2 report) filed by lobbyists during the first, second, and third quarters of calendar year 2008. The randomly sampled reports were selected from the publicly downloadable database maintained by the Secretary of the Senate.
- Contacted each lobbyist in our sample by sending a letter describing our review and asking them to provide supporting documentation for key elements of the disclosure report including the amount of money received for lobbying activities, the houses of Congress or federal agencies lobbied,

⁴ P.L. 110-81, §213, 121 Stat. at 750, codified at 2 U.S.C. §1614 note.

prior covered positions held by lobbyists, and whether the lobbyists filed a report of federal political contributions. Two lobbying firms in our sample, Duetto Group, LLC and Snack Food Association, declined to meet with us following our initial letter, sent in January 2009, and multiple follow-up contacts in February and March 2009. In those follow-up contacts, we pointed out to both firms that in light of their unwillingness to meet, we would be identifying their firms' names to Congress, as provided for in HLOGA. Both acknowledged their understanding of this. Following the March 13, 2009, completion of our audit work, we were contacted by a representative from each firm indicating they had reconsidered and would be available to meet. We advised each firm that because our audit had been completed and in light of our mandated April 1 reporting date, the results of any such meeting could not be reflected in our analysis.⁵

- Selected a random sample of 100 semiannual reports of federal political contributions (commonly referred to as the LD-203 report) filed for the mid-year of calendar year 2008, January through June. The randomly sampled reports were selected from the publicly downloadable contributions database maintained by the Secretary of the Senate.
- Compared the lobbying reports selected from the Secretary of the Senate's database to the information on contributions filed with the Federal Election Commission and maintained in its publicly accessible database. In instances where an entry in the lobbying report could not be confirmed by the FEC database, either because the data did not match or the contribution would not be disclosed to the FEC, we contacted lobbyists and asked them to provide documentation and, if necessary, information to clarify differences we observed.
- Compared registrations newly filed in the first, second, and third quarters of calendar year 2008 to corresponding first, second, and third quarter disclosure activity reports on file with the Clerk of the House of Representatives (for quarter 1) and the Secretary of the Senate (for quarters 2 and 3) to determine if the requirement for registrants to report was met.

To identify challenges and potential improvements to compliance, we obtained views from lobbyists included in our sample of reports on any challenges to compliance and how the challenges might be addressed.

To determine the status of U.S. Attorney's Office for the District of Columbia's efforts to implement a structured approach to focus limited resources on lobbyists who continually fail to comply with the Act as

⁵ We were able to meet with a representative from the Duetto Group on March 24, 2009 after our audit work for this report was completed.

recommended in GAO's prior report, we interviewed U.S. Attorney's office officials and obtained information on the systems used to collect and maintain data needed to assist in enforcing compliance with the Act.

Importantly, in keeping with the statute, our objectives did not include identifying lobbyist organizations that failed to register and report in accordance with HLOGA requirements, or whether, for those lobbyists that did register and report, the lobbying activity disclosed represented the full extent of lobbying activities that took place.

We conducted this performance audit from December 2008 through March 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. For more details on our methodology, please see appendix I.

Background

Lobbying registrations and reports are required under the Lobbying Disclosure Act of 1995 (the Act) as amended by the Honest Leadership and Open Government Act of 2007 (HLOGA) to disclose the identities of people attempting to influence the government, the subject matters of their attempts, and the amounts of money they spend to accomplish their goals.⁶ The Act requires that lobbyists register with the Secretary of the Senate and the Clerk of the House and file periodic reports disclosing their activities. The Act was amended by HLOGA to make those reports due quarterly (they had previously been due semiannually).⁷ HLOGA requires lobbyists to disclose whether they held an official covered position⁸ in the past 20 years (rather than the 2 years the Act had previously required), whether the client is a state or local government, and whether any members of a coalition or association actively participated in the lobbying

⁶ Lobbying Disclosure Act of 1995, Pub. L. 104-65, 109 Stat. 691, as amended by Honest Leadership and Open Government Act of 2007, Pub. L. 110-81, 121 Stat. 735 (Sept. 14, 2007) codified at 2 U.S.C. §§1601-1607.

⁷ 2 U.S.C. §1604.

⁸ A covered position/official is defined as an elected Member of either house of Congress, an employee of a Member or a committee, or certain high-level positions in the Executive branch. 2 U.S.C. §1602.

activities. Under HLOGA, lobbyists are required to file these registrations and reports electronically with the Secretary of the Senate and the Clerk of the House through a single entry point (as opposed to separately with the Secretary of the Senate and the Clerk of the House as was done prior to HLOGA). The Act, as amended by HLOGA, also provides that registrations and reports must be available in downloadable searchable databases from the Secretary of the Senate and the Clerk of the House.

The Act defines “lobbyists” and “lobbying activities” and imposes requirements on the reporting of those activities. Under the Act, a lobbyist can be an individual, a lobbying firm, or an organization that has employees lobbying on its own behalf, depending on the circumstances. Lobbyists are required to file a registration with the Secretary of the Senate and the Clerk of the House for each client on whose behalf a lobbying contact is made if a minimum dollar threshold is passed.⁹ The registration must list the name of the organization, lobbying firm, or self-employed individual who is lobbying on that client’s behalf. In addition, the registration and subsequent reports must list the individuals who acted as lobbyists on behalf of the client during the reporting period. For reporting purposes, a lobbyist is defined as a person who has made two or more lobbying contacts¹⁰ and whose lobbying activities represent at least 20 percent of the time that he or she spends on behalf of the client during any quarter. Registrations and reports must also state whether any lobbyist served as a covered executive branch or legislative branch official in the previous 20 years. The Act defines a covered executive branch official as the President, Vice President, an officer or employee, or any other individual functioning in the capacity of such an officer or employee, of the Executive Office of the President, an employee serving in levels I-V of the Executive Schedule, members of the uniformed services whose pay grade is at or above O-7, and any officer or employee serving in a position of a confidential, policy-determining, policy-making, or policy-advocating character. The Act defines a covered legislative branch official as a Member of Congress, an elected officer of either house of Congress, or any

⁹ A lobbying firm needs to register if the firm’s total income from the lobbying client exceeds or is expected to exceed \$2,500 in a quarterly reporting period. An organization that employs internal lobbyists must register if the organization’s lobbying expenses exceed or are expected to exceed \$10,000 in a quarterly period and at least one employee meets the statutory definition of a lobbyist.

¹⁰ A lobbying contact is an oral or written communication to a covered executive or legislative branch official made on behalf of a client attempting to influence legislation or executive programs or policies.

employee of a Member, a committee of either House of Congress, the leadership staff of either House of Congress, a joint committee of Congress, or a working group or caucus organized to provide legislative services or other assistance to Members.

The registration and subsequent quarterly reports must also disclose the name of and further information about the client including a general description of its business or activities. The lobbyist is also required to disclose any foreign entities with interest in the client. The lobbyist must report if the client is a state or local government. When the client is a coalition or association, the lobbyist must identify any constituent organization that contributes more than \$5,000 for lobbying in a quarter and actively participates in the planning, supervision, or control of lobbying activities.¹¹ The registration and subsequent reports may either list each organization or make the list available on the coalition or association's Web site and disclose the Web address in the report.

Lobbying registrations and reports must include lobbying activity details such as the general issue area and the specific lobbying issues. The lobbyist must also disclose which federal agencies and house(s) of Congress the lobbyist contacted on behalf of the client during the reporting period.

Finally, the registrant must report the amount of money that was spent on lobbying for the client during the reporting period. The lobbying income or expenses disclosed on the reports are to be rounded to the nearest \$10,000. A lobbying firm, or any other organization that is hired to lobby on behalf of an entity other than itself, must report the amount of income related to lobbying activities received from the client during the quarter. An organization that has employees who lobby on its behalf must report the expenses incurred in relation to lobbying activities during the quarter. Organizations may use one of three accounting methods to determine their expenses: the Act's definitions of lobbying expenses; the Internal Revenue Code definitions for non-deductible business expenses; or, if they are a 501(c) non-profit organization, the definitions under the relevant sections of the Internal Revenue Code.

¹¹ HLOGA increased the level of required disclosure. Previously under the Act coalitions and associations were only required to list members who "in whole or in major part plan, supervise, or control such lobbying activities."

HLOGA also added a new reporting requirement for lobbyists, a semiannual report on “certain contributions”, which is commonly known as the contributions report or by its form name, the LD-203 report. These reports are required to be filed 30 days after the end of a semiannual period by each organization registered to lobby and by each individual listed as a lobbyist on an organization’s lobbying reports. These reports were due for the first time on July 30, 2008. The lobbyist or organization that files a contributions report must list the name of each federal candidate or officeholder, leadership PAC, or political party committee to which the filer made contributions equal to or exceeding \$200 in the aggregate during the semiannual period. The filer must also report contributions made to Presidential library foundations and Presidential inaugural committees. In addition, the filer must report funds contributed to pay the cost of an event to honor or recognize a covered official, funds paid to an entity named for or controlled by a covered official, and contributions to a person or entity in recognition of an official or to pay the costs of a meeting or other event held by or in the name of a covered official. Finally, the contributions report requires a filer to certify that the filer has read and is familiar with the gift and travel rules of the Senate and House and that the filer has not provided, requested, or directed a gift or travel to a Member or an officer or employee of Congress that would violate those rules. All individual lobbyists and organizations must file a contributions report each period and certify compliance with the gift and travel rules, even if they have no contributions to report.

Supporting Documentation Varied Based on Reporting Requirements

While no specific requirements exist for lobbyists to create or maintain documentation, GAO’s review showed that lobbyists could provide documentation to varying degrees for the reporting elements in their disclosure reports. For example, documentation was more readily available for two key reporting elements, lobbyists’ income or expenses, than for other elements such as the entities they reported lobbying. We estimate that lobbyists could provide some form of written documentation for income or expenses for approximately 99 percent of disclosure reports for the first three quarters of 2008. All of the lobbyists we contacted from our sample of reports that reported income and all except one lobbyist who reported lobbying expenses showed us some type of documentation for the dollar amount reported. The most common form of documentation provided was invoices (64 percent), followed by contracts (25 percent).¹²

¹² Some lobbyists provided both types of documentation.

The lobbyist who did not provide documentation for his reported expenses told us that because staff in his organization are involved in both lobbying and non-lobbying activities, his organization's reported lobbying expenses were based on estimates of staff salaries attributable to lobbying activity and documentation to support these estimates did not exist.

Although documentation for lobbyists' income or expenses existed, some reports contained information that differed from documentation provided or statements lobbyists made about their lobbying activity. In approximately 14 percent of reports for which documentation was provided (14 of 97 reports), lobbyists reported income or expense amounts that were different from the amounts supported by the documentation they provided. The documentation showed a higher amount of income or expenses than was reported for about half of these reports and a lower amount for the other half. Documentation showed that 6 of the 14 reports contained errors with respect to reports of income or expenses,¹³ while the remaining 8 reports contained differences that could be explained verbally by lobbyists but not documented—primarily because the lobbyists could not provide documentation for their estimates (6 of the 8). Based on these data, we estimate that approximately 6 percent of all disclosure reports erroneously report the amount of income or expenses for lobbying activity.

Income or expenses are among several reporting elements lobbyists are required to list in their disclosure reports. Overall, lobbyists could provide documentation for all seven reporting elements we reviewed¹⁴ on about 35 percent of the disclosure reports (34 of 98) in GAO's sample. Although the Act does not specifically require lobbyists to maintain records or documentation to support information disclosed in their reports, guidance from both the Secretary of the Senate and Clerk of the House recommends that lobbyists retain copies of their filings and supporting documentation for at least 6 years after reports are filed. We estimate that lobbyists were unable to provide documentation for one or more elements on about 65

¹³ Two of the six reports contained errors because of mistakes in rounding and involved amounts less than \$1,000. The Act requires that lobbyist round to the nearest \$10,000.

¹⁴ The seven elements we reviewed are income, expenses, entities lobbied, lobbyists who had held covered official positions, foreign entities with interest in the client, individuals no longer lobbying for the client, and member organizations of a coalition or association that lobbied on behalf of the client.

percent of the lobbying activity disclosure reports (64 of 98) we reviewed.¹⁵

As of March 18, 2009, lobbyists had amended 12 disclosure reports included in our sample to correct income or expenses, information on the entities lobbied, lobbyists listed, or other information. Eight of these reports were amended either after we notified the lobbyists that their reports were selected for our review or after the lobbyists participated in our review. Also, during our review lobbyists told us they planned to amend an additional 8 reports.¹⁶ The most common reason given for amending disclosure reports was to correct income or expense information (8 of 20 reports).

Lobbyists were unable to provide documentation for all of the entities they reported lobbying for more than half of the disclosure reports in our sample. Lobbyists are required to disclose if they lobbied the House of Representatives, the Senate, one or more executive branch agencies, or a combination of these entities. However, lobbyists could not provide documentation to support any of the entities lobbied for 26 percent of disclosure reports (25 of 98) in our sample. Additionally, lobbyists were able to provide documentation for some, but not all of the entities lobbied for an additional 36 percent of reports (35 of 98). For the remaining 39 percent of reports (38 of 98), lobbyists were able to provide written support for all of the entities they reported lobbying. Based on these figures, we project that lobbyists could provide full support for the entities they reported lobbying in fewer than half of all disclosure reports, or approximately 39 percent of reports. Reasons for lack of documentation included no record keeping for phone conversations and informal face-to-face contacts and the inability to retrieve emails that were not archived.

¹⁵ Lobbyists for 2 of the 100 reports in our sample, declined to meet with us or provide documentation to support the information in their disclosure reports during our review, which ended March 13, 2009. We therefore base our estimates on information provided by lobbyists for the remaining 98 reports in our sample. These 98 reports represent clients from 97 distinct lobbying firms. Unless otherwise noted, all percentage estimates in this report have 95% confidence intervals of plus or minus 10.4 percentage points of the estimate.

¹⁶ As of March 18, 2009, these reports had not been amended.

For 12 of the 98 reports we examined, lobbyists said that they could not support some or all of the entities they reported lobbying because the lobbying activity had not actually occurred. Because some lobbyists did not specify the reasons they could not support the entities they reported lobbying, we estimate that a minimum of 7 percent of all disclosure reports list lobbying activity that did not actually happen.¹⁷ Some lobbyists who acknowledged having over-reported the number of entities lobbied told us that they did so to ensure that they did not fail to fully report. Some lobbyists said they did not want to edit their reports each quarter to reflect what they perceived to be minor changes—such as changes in the names of individuals acting as lobbyists on specific issues or in lists of federal agencies lobbied. Rather, they chose to carry this kind of information over in their reports in case it should become applicable again for a future reporting period.

For 38 percent of the reports (37 of 98) we reviewed, lobbyists reported having a system in place to track who should be listed as a lobbyist. For about half of these reports (20 of 37) lobbyists used tracking systems that were integrated with their timekeeping or billing systems. A few of these lobbyists told us that they had augmented their billing codes to better track lobbying activity to report under HLOGA or were concerned that their disclosure reports could be selected for review by GAO. For 52 percent of disclosure reports we reviewed (51 of 98), lobbyists reported not having a system to determine who should be listed as a lobbyist—mostly because the lobbyists were either sole proprietors or worked in very small firms (34 of 51) that did not require a tracking system to identify who should be reported as lobbyists. For about 10 percent of the disclosure reports, we were unable to determine if the lobbyists had systems to track who should be listed as a lobbyist.

We found that lobbying firms failed to appropriately disclose “official covered positions” previously held by individual lobbyists’ on at least 6 of the reports we reviewed.¹⁸ Based on this information, we can estimate that

¹⁷ Because we cannot be certain that the reports of entities lobbied that could not be supported by documentation were all due to overreporting, we base our estimate on only those lobbyists that admitted overreporting, using a one-sided 95 percent confidence interval to generate a conservative estimate of a minimum proportion of reports containing overreports of entities lobbied.

¹⁸ Prior to each review, we used open source search techniques to identify lobbyists on each report who may have held a covered position. Our search, which is discussed in more detail in appendix I, may not have identified all cases in which a lobbyist held a position that the Act requires disclosing.

a minimum of 3 percent of all disclosure reports fail to fully disclose whether the individual lobbyists for a specific client held an official covered position.¹⁹ Covered positions include members of Congress and their staff, Executive Level and Schedule C employees in the executive branch, members of the uniformed services serving at grade 07 or above, and others. Lobbyists who registered on January 1, 2008, or later, must disclose previously held official covered positions for the past 20 years. Lobbyists who registered prior to January 1, 2008, were required to disclose official covered positions held in the past 2 years. We identified six lobbying reports where the lobbyists previously held an official position covered by the act that was not disclosed on the report. For four of these cases the lobbyists indicated they misunderstood either the definition of covered positions or the time frames for reporting on them. In the 2 other cases, the lobbyists said they realized that they had failed to report covered positions and plan to amend their disclosure reports. One lobbyist in our sample reported holding a covered position, but later realized that the position should not have been reported because it did not meet the definition of a covered position.

Most Contributions Reports Could Be Supported by FEC Data or Documentation

Reports of federal campaign and other political contributions are required to be reported under the Act. The reports are to be filed by both individual lobbyists and lobbyists organizations. We estimate that for approximately 65 percent of the contributions reports, or 65 from our sample of 100 reports, lobbyists or lobbying firms could support all entries with documentation.²⁰ Documentation includes data from the FEC disclosure database, cancelled checks, invoices, or letters. In addition, we estimate that 16 percent of the reports had errors or omissions, or failed to disclose required contributions. For example, eight filers said they did not report the information we found in the FEC database because of an oversight.

¹⁹ We base our estimate of the minimum on a one-sided 95 percent confidence interval.

²⁰ We were unable to confirm contribution information for 2 of our original sample of 100 contributions filers, in one case because the filer was deceased, and in the other case the filer is out of the country and no longer works for the organization. Unless otherwise noted, all percentage estimates for lobbyist contributions reports have 95 percent confidence intervals between plus or minus 10.2 percentage points or less of the estimate.

From these data, we estimate a minimum of 4 percent of all lobbyist contributions reports omit donations that should have been reported.²¹

We estimated that the remaining 19 percent of contributions reports had contributions that were not required to have been listed on the document, or could not be corroborated with supporting documentation. For example, contributions under \$200, contributions to non-federal campaigns, and refunded contributions were not required to be included on the report. We also found contributions listed on the reports that did not appear in the FEC database. Filers were able to provide documentation for the majority of these contributions, including honorary and meeting expenses and FEC contributions that were refunded or had not yet been disclosed by the recipient. This documentation came in various forms, including receipts, acknowledgment letters, credit card statements, and cancelled checks.

Newly Registered Lobbyists Generally Met Reporting Requirements

New registrations filed in the first three quarters of 2008 were largely followed by disclosure reports for the filing period as required. To determine whether new registrants were meeting the requirement to file, we matched newly filed registrations in the first, second and third quarters of 2008 from the House and Senate Lobbyist Disclosure Databases to their corresponding quarter disclosure reports using an electronic matching algorithm that allowed for misspelling and other minor inconsistencies between the registrations and reports. Our analysis showed that of 4,134 new registrations we identified from the first three quarters, the majority (3,616) had a clearly corresponding disclosure report on file, indicating that the requirement for these lobbyists to file reports for specific clients was generally met. However, we could not identify corresponding reports of lobbying activity for 518 (approximately 13 percent) of the 4,134 new registrations.

We were able to identify corresponding disclosure reports for each quarterly filing period. Specifically, for the first quarter of 2008, House disclosure data showed that approximately 93 percent of lobbyists newly registered filed a corresponding report. For the second and third quarters of 2008, we used Senate data to match registrations and reports. We were

²¹ Because we cannot be certain that our search of FEC data identified all instances of the omission of a contribution that should have been reported, we estimate the minimum percentage of reports that omit one or more contributions using a one-sided 95 percent confidence interval.

able to match approximately 88 percent of newly registered lobbyists to disclosure reports filed during the second quarter. We found corresponding quarterly disclosure reports for approximately 79 percent of newly registered lobbyists for the third quarter.

The difference in the match rates between the second and third quarters may result partly from the Senate's processing procedures and the timing of our data download. Compared to the House, the Senate sets aside a greater proportion of cases for manual review prior to entry into its database, resulting in some delay in data entry. Also, the third quarter reports were downloaded closer to the filing deadline than were the second quarter reports. The additional time following the first and second quarter deadlines may have allowed the House and Senate to process a greater number of reports before our download.

We could not identify corresponding quarter reports of lobbying activity for 102 (approximately 7 percent) of the 1,460 new registrations in the first quarter, 185 (approximately 12 percent) of the 1,592 new registrations in the second quarter, and 231 (approximately 21 percent) of the 1,082 new registrations filed in the third quarter and available as of the date we downloaded the disclosure information. Staff of the Secretary of the Senate and Clerk of the House told us that while the newly registered lobbyists for whom we could not identify corresponding reports may not have filed a report, it is possible that they filed reports with information that did not fully match their registrations. For example, if a client's name did not precisely match the name listed on the registration for that client, it would be difficult to match the registrants to their corresponding reports.

Some Lobbyists May Not Have Fully Understood the Reporting Requirements

Many lobbyists said that they felt the reporting requirements under the Act were clear. In cases where the lobbyists had questions or felt the requirements were not clear, lobbyists said the Secretary of the Senate and Clerk of the House staff were helpful in providing clarifications. However, statements by some lobbyists and our review of lobbyists' documentation to support both disclosure and contributions reports highlights areas where lobbyists may not clearly understand the law and therefore did not properly disclose required information. For example, some lobbyists told us:

- They were uncertain about what is considered lobbying under the Act. For example, lobbyists said they were not sure whether they should include telephone contacts with congressional or executive branch staff that were

social in nature, but may lead to future lobbying contact. Also, they were uncertain whether they should include researching issues that may lead to information sharing.

- They had questions about how to determine which activities are lobbying activities under the Act. The Act requires identifying as a lobbyist any individual whose lobbying activities constitute 20 percent of their time in services for a client during the quarterly period.

In addition, our review of contributions reports identified some small firms and sole proprietors that did not understand the requirement for both firms and individual lobbyists to file contributions reports. Some of the lobbyists, 11 out of 98, either reported only individual contributions or their organization's contributions. The requirement is for both an individual and the organization to file a contributions report.

Some lobbyists told us that small differences between lobbying disclosure rules and Federal Campaign Finance laws could cause some contributions reports to be inaccurate. HLOGA requires lobbyists to disclose certain political contributions in amounts "equal to or exceeding \$200."²² Federal Campaign Finance laws administered by the Federal Elections Commission (FEC) require candidates and political action committees (PAC) to disclose contributions exceeding \$200.²³ There is a possibility that the differing thresholds might lead a lobbyist to omit a contribution of exactly \$200 from the report. Lobbyists and registrants who set up a system appropriate to their business to track the political contributions made do not need to rely on the information present in the FEC database.

The electronic filing system for lobbying reports reduces the amount of time filers must spend on data entry, so that a filer does not need to retype names, addresses, or some other information. While this offers a great convenience to filers, our review showed that it also introduces a risk that firms may carry information over from old reports to new reports without properly updating the information to reflect changes to their lobbying activity.

Some lobbyists also told us:

²² 2 U.S.C. 1604(d)(1)(D).

²³ 2 U.S.C. 434(b)(3)(A).

-
- The deadline under HLOGA for filing disclosure reports 20 days after each reporting period was difficult to meet because of limitations of their own internal billing or record-keeping systems. Prior to HLOGA, the deadline for filing disclosure reports was 45 days after the end of each reporting period.
 - The increased frequency of reporting presented an administrative burden, especially in the fourth quarter because of other filing requirements, such as for the IRS.
 - The lobbying activity does not generally change significantly from quarter to quarter and therefore the benefits of quarterly reporting are small.

Some lobbyists told us they took added steps to help ensure their compliance with the requirements of HLOGA, including:

- Attending training seminars and workshops offered by other lobbying organizations, law firms, and membership organizations in the lobbying community to enhance understanding of the lobbying disclosure requirements;
- conducting internal training sessions for staff and hiring outside counsel to assist with understanding the requirements; and
- developing new or augmented existing record keeping systems to track the amount of time spent lobbying.

Although some lobbyists took added steps to help ensure compliance with the requirements of HLOGA, some still may not have fully understood the reporting requirements. In our last report on lobbying disclosure, we stated that we believe that the lobbying community could benefit from creating an organization to

- share examples of best practices of the types of records maintained to support filings and use this information gathered over an initial period to formulate minimum standards for recordkeeping;
- provide training for the lobbying community on reporting and disclosure requirements, intended to help the community comply with the Act; and
- report annually to the Secretary of the Senate and the Clerk of the House on opportunities to clarify existing guidance and ways to minimize sources of potential confusion for the lobbying community.

Given the fact that some lobbyists again indicated to us that they did not fully understand some of the reporting requirements, we continue to believe that the lobbying community could benefit from creating an organization to focus on sharing best practices, providing training, and reporting on opportunities to minimize potential confusion.

U.S. Attorney's Office for the District of Columbia Is Making Progress on Its Approach to Focusing Resources on Lobbyists Who Fail to Comply

The U.S. Attorney's Office for the District of Columbia (the Office) is responsible for the enforcement of the Act. The Office fulfills its responsibilities, administratively, by researching and responding to referrals made from the Secretary of the Senate and Clerk of the House of non-complying lobbyists by sending additional non-compliance notices to the lobbyists, requesting that the lobbyists file reports or correct reported information. The Office also has the authority to pursue a civil or criminal case for non-compliance.

In response to our earlier recommendation, officials from the Office are developing a system that they plan to put in place in April 2009 to address issues we raised in our prior report regarding the tracking, analysis, and reporting of enforcement activities for lobbyists who the Secretary of the Senate and the Clerk of the House refer to them for failure to comply. Our prior report recommended that the Office complete efforts to develop a structured approach that would require the Office to track referrals when they are made, record reasons for referrals, record the actions taken to resolve them, and assess the results of actions taken.

Officials told us that because the number of referrals is expected to increase as a result of the enactment of HLOGA, the new system will be an important tool to assist them in tracking and analyzing individual referrals, enforcement actions, and letters that have been sent. The system the Office currently uses was not designed to capture the data necessary for tracking and analysis of Lobbying Disclosure Act referrals. The current system provides general tracking of federal civil and criminal litigation cases and requires the Office to supplement the system with manual record keeping for lobbying compliance matters. The Office considered this approach to be a temporary measure to address the large increase in the number of lobbying disclosure referrals from the Secretary of the Senate and Clerk of the House in 2006 when these offices began transmitting referrals electronically.

The new system is intended to track and record enforcement activities, record the status and disposition of lobbyists' cases, provide automated alerts to ensure timely follow-up and monitoring, provide the ability to track those who continually fail to comply with the Act, and use data and statistical reporting of trends and effectiveness of enforcement activities. Officials from the Office said the system is designed to respond to recommendations made in our prior report to provide a more structured approach for assigning resources and providing a better focus of lobbying disclosure compliance enforcement efforts.

The Office, along with its Information Technology Applications Division, has completed development and testing of the system and is currently modifying the system to address issues raised during testing. Most of the staff who will use the system have received training, were involved in system testing, and have provided input on the small changes needed to ensure the system will meet the Office's requirements. Office officials stated that they plan to complete the modifications, re-test the system, and make the system available to users in April 2009—in time for the next group of referrals that officials expect to receive from the Secretary of the Senate and Clerk of the House. The Office plans to continue the process of cleaning up information in the current system and begin loading data on past referrals into the new system after it becomes operational.

Although the new system is not yet operational, the Office is still making progress through other efforts in focusing on lobbyists who continually fail to comply. For example, officials were able to manually identify six lobbyists whose names appeared frequently in the referrals, and the officials sent them letters that were more targeted toward repeat non-filers. In addition, the Office has recently met with the Secretary of the Senate and Clerk of the House to increase compatibility with the Office's system by identifying a preferred format for referrals. The Secretary of the Senate and Clerk of the House send referrals separately and format differences can make downloading the information into the Office's system more difficult. The Office plans to continue formatting discussions with the Secretary of the Senate and Clerk of the House after the system becomes operational.

The Office has received referrals from both the Secretary of the Senate and Clerk of the House for the 2006 reporting period. In addition, the Office has received referrals for the mid-year reporting period from the Secretary of the Senate, while the Clerk of the House's mid-year 2007 referrals have not been sent. Extended periods of time occur between the filing period and the date referrals are made because the Secretary of the Senate and Clerk of the House send referrals after they have reviewed their respective database for missing or erroneous reports, twice contacted lobbyists by letter to inform them of the need to remedy an error or file a missing report, and allowed 60 days for lobbyists to respond to each letter.

Tables 1 and 2 show the number of referrals received from the Secretary of the Senate and the Clerk of the House as well as the number of letters the Office sent to lobbyists as a result of these referrals. According to the Office, the number of referrals from the Secretary of the Senate is larger

than from the Clerk of the House because of differences in their referral procedures.

Table 1: Lobbying Referrals Received from Secretary of the Senate for the 2006 and 2007 Reporting Period and U.S. Attorney’s Office Compliance Letters Sent as a Result

Reporting period (calendar year)	Number of referrals received from the Secretary of the Senate	Date referral received	Number of compliance letters sent by the U.S. Attorney’s Office	Date compliance letters sent
Mid Year 2006	441	09/06/07	312	12/15/07
Year End 2006	331	04/10/08	229	08/20/08
Mid Year 2007	242	12/19/08	190	01/09/09

Source: U.S. Attorney’s Office for the District of Columbia.

Table 2: Lobbying Referrals Received from the Clerk of the House for 2006 and 2007 Reporting Period and U.S. Attorney’s Office Compliance Letters Sent as a Result

Reporting period (calendar year)	Number of referrals received from the Clerk of the House	Date referral received	Number of compliance letters sent by the U.S. Attorney’s Office	Date letters sent
Mid Year 2006	8	11/07/08	5	01/06/09
Year End 2006	34	11/07/08	32	01/09/09

Source: U.S. Attorney’s Office for the District of Columbia.

Because there is a time lapse between when the Secretary of the Senate and the Clerk of the House send the first contact letter and when they make referrals to the U.S. Attorney’s Office, lobbyists have often responded to the contact letter from the Secretary of the Senate and Clerk of the House after referrals have been received by the Office. As a result, the Office reviews the Secretary of the Senate and Clerk of the House databases to determine if that lobbyist has already resolved the compliance issue before sending out its own letters. In addition, the Office attempts to verify the lobbyist’s address where letters were returned or no response was received.

Resources are assigned to lobbying compliance issues based on competing priorities within the Office. Since September 2008, the Office has assigned an additional staff member to assist with lobbying compliance issues. Currently, a total of six staff, including a deputy chief, civil enforcement investigator, paralegal, support staff manager, and two docket information input clerks are dedicated on a part-time basis to lobbying disclosure compliance enforcement activities. In addition to the six staff dedicated to lobbying compliance enforcement, three attorneys from the affirmative civil enforcement division may become involved in enforcement efforts, as needed.

Agency Comments and Our Evaluation

We provided a draft statement of the facts contained in this report to the Department of Justice (DOJ) for review and comment. We met with the Assistant U.S. Attorney for the District of Columbia, who on behalf of the DOJ, provided us with technical comments, which we incorporated as appropriate, but did not otherwise comment on the report.

We are sending copies of this report to the Attorney General, Secretary of the U.S. Senate, Clerk of the U.S. House of Representatives, and other interested congressional committees and members. Copies of this report will be made available to others upon request. In addition, this report is available at no charge on the GAO Web site at <http://www.gao.gov>.

Please contact George Stalcup at (202) 512-6806 or stalcupg@gao.gov if you or your staffs have any questions about this report. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix IV.



George Stalcup
Director, Strategic Issues

List of Addressees

The Honorable Harry M. Reid
Majority Leader
The Honorable Mitch McConnell
Minority Leader
United States Senate

The Honorable Steny H. Hoyer
Majority Leader
The Honorable John A. Boehner
Minority Leader
House of Representatives

The Honorable Joseph I. Lieberman
Chairman
The Honorable Susan M. Collins
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Patrick J. Leahy
Chairman
The Honorable Arlen Specter
Ranking Member
Committee on Judiciary
United States Senate

The Honorable Charles E. Schumer
Chairman
The Honorable Robert F. Bennett
Ranking Member
Committee on Rules and Administration
United States Senate

The Honorable Edolphus Towns
Chairman
The Honorable Darrell Issa
Ranking Member
Committee on Oversight and Government Reform
House of Representatives

The Honorable John Conyers, Jr.
Chairman
The Honorable Lamar Smith
Ranking Member
Committee on Judiciary
House of Representatives

The Honorable Robert A. Brady
Chairman
The Honorable Daniel E. Lungren
Ranking Member
Committee on House Administration
House of Representatives

Appendix I: Objectives, Scope, and Methodology

Consistent with the requirements of the Honest Leadership and Open Government Act (HLOGA), our objectives were to:

- determine the extent to which lobbyists can demonstrate compliance by providing support for information on registrations and reports filed in response to requirements of the amended Lobbying Disclosure Act (the Act);
- identify the challenges lobbyists cite in complying with the Act and suggestions for improving compliance; and
- describe the resources and authorities available to effectively enforce the Act including the U.S. Attorney's Office for the District of Columbia's efforts to focus resources on lobbyists who continually fail to comply with the Act.

To respond to the requirements of HLOGA, we used information in disclosure databases maintained by the Secretary of the Senate and the Clerk of the House of Representatives. To assess whether these disclosure data were sufficiently reliable for the purposes of this report, we reviewed relevant documentation and spoke to officials responsible for maintaining the data. Although registrations and reports are filed through a single Web portal, each chamber subsequently receives copies of the data and follows different data cleaning, processing, and editing procedures before storing the data in either individual files (in the House) or databases (in the Senate). Currently, there is no means of reconciling discrepancies between the two databases that result from chamber differences in data processing. For example, Senate staff told us that it sets aside a greater proportion of registration and report submissions than the House for manual review before entering the information into the database, and as a result, the Senate database would be slightly less current than the House database on any given day pending review and clearance. Nevertheless, we do not have reason to believe that the content of the two systems would vary substantially. While we determined that the both the House and Senate disclosure data were sufficiently reliable for identifying a sample of LD-2 disclosure reports and for assessing whether newly filed registrants also filed required reports, we chose to use data from the Secretary of the Senate for sampling LD-2 reports from the first three quarters of 2008 and mid-year LD-203 contributions reports, and for matching second and third quarter registrations with reports. Our analysis of the proportion of first quarter registrations that filed corresponding reports used data from the Clerk of the House of Representatives and is described in detail in our previous report. We did not evaluate the Offices of the Secretary of the Senate or the Clerk of the House—both of which have key roles in the lobbying disclosure process—although we met with officials from each

office, and they provided us with general background information at our request.

To assess the extent to which lobbyists could provide evidence of their compliance with reporting requirements, we examined a systematic random sample of 100 LD-2 reports. We excluded “no activity” reports and drew our sample from 40,169 activity reports filed for the first three quarters available in the public Senate database, as of our final download date of October 28, 2008. Our sample is based on a systematic random selection, and it is only one of a large number of samples that we might have drawn. We sorted firms by the number of LD-2 reports they filed and then drew a systematic sample of LD-2 reports to ensure that our sample contained reports from all sizes of firms. Because each sample could have provided different estimates, we express our confidence in the precision of our particular sample’s results as a 95 percent confidence interval. This is the interval that would contain the actual population value for 95 percent of the samples that we could have drawn. All percentage estimates in this report have 95 percent confidence intervals of within plus or minus 10.4 percentage points of the estimate itself, unless otherwise noted. When estimating compliance with certain of the elements we examined, we base our estimate on a one-sided 95 percent confidence interval to generate a conservative estimate of either the minimum or maximum percentage of reports in the population exhibiting the characteristic.

We contacted each lobbyist in our sample and asked them to provide support for key elements in their reports, including:

- the amount of income reported for lobbying activities;
- the amount of expenses reported on lobbying activities;
- the names of lobbyists who had held covered official positions;
- the houses of Congress and federal agencies that they lobbied;
- the names of foreign entities with interest in the client;
- the names of individuals no longer acting as a lobbyist for the client; and
- the names of any member organizations of a coalition or association that actively participated in lobbying activities on behalf of the client.

In addition, we determined if each individual lobbyist listed on the LD-2 report had filed a semiannual LD-203 contribution disclosure report.

Our work to examine lobbyists’ compliance was limited to reviewing documentation provided by the lobbyists and, where available, information from publicly available databases. In instances where documentation or information from databases was not available, we asked

lobbyists to provide oral explanations and have identified those instances in our report. Neither the law nor guidance currently specifies any documentation requirements in relation to information reported under the Act.

Prior to interviewing lobbyists about each LD-2 report in our sample, we conducted an open-source search to determine whether each lobbyist listed on the report appeared to have held a covered position required to be disclosed. For lobbyists registered prior to January 1, 2008, covered positions held within 2 years of the date of the report must be disclosed; this period was extended to 20 years for lobbyists who registered on or after January 1, 2008. Lobbyists are only required to disclose covered positions on their first LD-2 report for a specific client, and consequently those who held a reportable covered position may have disclosed the information on an LD-2 report filed prior to the report we examined as part of our random sample. To identify likely covered positions, we examined lobbying firms' Web sites and conducted an extensive open-source search of Leadership Directories, Who's Who in American Politics, Carroll's, US Newspapers through Nexis, and Google, for lobbyists' names and variations on their names. We then asked lobbying entities about each lobbyist we had identified, to determine whether the LD-2 report appropriately disclosed covered positions or whether there was some other acceptable reason for the omission (such as having disclosed the position on an earlier LD-2 report). Despite our rigorous search protocol, it is possible that our search failed to identify omitted reports of covered positions. Thus, our estimate of the proportion of reports with lobbyists who failed to appropriately disclose a covered position is a lower bound estimate of the minimum proportion of reports that failed to report such positions.

In addition to examining the content of LD-2 disclosure reports, we confirmed whether mid-year LD-203 contribution reports had been filed for each firm and lobbyist listed on the LD-2 reports in our random sample. Although this review represents a random selection of lobbyists and firms, it is not a direct probability sample of firms filing LD-2 reports or lobbyists listed on LD-2 reports. As such, we did not estimate the likelihood that LD-203 contribution reports were appropriately filed for the population of firms or lobbyists listed on LD-2 reports.

In our previous report, we used data filed with the Clerk of the House of Representatives to match newly filed registrations with corresponding disclosure reports for the first quarter of 2008. Using direct matching and text and pattern matching procedures, we were able to identify matching

disclosure reports for 1,358 of the 1,460, or 93 percent, of the newly filed registrations. To determine if the Act's requirement for registrants to file a report in the quarter of registration was met during the second and third quarters of 2008, we matched registrations in the Senate's lobbying disclosure databases as of our download date to second and third quarter report filings using data and text matching procedures. We first matched reports and registrations using both the registrant and client identification numbers. For reports we could not match by identification numbers, we also attempted to match reports and registrations by client and registrant name, allowing for variations in the names to accommodate minor misspellings or typos. We identified corresponding quarterly reports for 1,407 of 1,592 (88 percent) of registrations filed during the second quarter, and for 851 of 1,082 (79 percent) of new third quarter registrations. We could not readily identify matches in the report database for the remaining registrations using electronic means. The difference in the match rate between the second and third quarters may result partly from Senate processing procedures and the timing of our data download. The Senate sets aside a greater proportion of cases for manual review prior to entry into its database, resulting in some delay in data entry, which might result in a greater proportion of second quarter than third quarter registrations and reports having been processed as of the date we downloaded the data.

To assess the accuracy of the LD-203 semiannual contribution reports, we first excluded reports that did not list any contributions and sorted remaining reports according to the number of contributions listed on each report. We then selected a systematic random sample of 100 LD-203 reports from the approximately 6,048 LD-203 reports that contain contributions. The sample allows the team to generalize to the population of LD-203 reports with contributions within a 95 percent confidence interval of plus or minus 10.2 percentage points or less.

To assess the accuracy of contributions listed on the LD-203 semiannual contributions reports, we used information in the Federal Election Commission's (FEC) contribution disclosure database. GAO interviewed staff at the FEC responsible for administering the database and determined that the data reliability is suitable for the purpose of confirming whether a FEC-reportable disclosure listed on an LD-203 had, in fact, been reported to the FEC. Since approximately 97 percent of reported contributions are identified as Federal Election Campaign Act (FECA) contributions, which should be reported to the FEC, the team was able to readily verify 93 percent of entries using the FEC database. The verification process required text and pattern matching procedures, and the team used professional judgment when assessing whether an

individual listed is the same individual filing an LD-203. Given the lag time between when a lobbyist or organization might make a contribution and when a political action committee (PAC) or campaign might cash or report the contribution, some flexibility had to be built into the analysis when examining the dates of entries. Our methodology considered a pair of entries to be a “match” if the date of the FEC entry was no more than 2 weeks earlier or 1 month later than the date entered on the LD-203 report.

For FEC-reportable contributions that could not be readily matched in the FEC data (perhaps as a result of a delays in a PAC or campaign’s filing of the contribution or discrepancies between the name on the LD-203 and the name on the FEC filing), we contacted each lobbyist to ask for documentation of the contribution. In several cases, the contribution reported had not been processed by the campaign or had been refunded to the donor and therefore did not appear in a campaign’s FEC filing. Additionally, we also asked lobbyists to document reports of honorary and meeting expenses that were not reported to the FEC. Lobbyists were able to provide supplementary documentation for most honorary and meeting expenses, as well as the majority of other contributions we asked about, in the form of invoices, acknowledgment letters, and cancelled checks or other financial records.

We obtained views from lobbyists included in our sample of reports on any challenges to compliance and how the challenges might be addressed. To describe the process used in referring cases to the U.S. Attorney’s Office for the District of Columbia and to provide information on the resources and authorities used by the Office in its role in enforcing compliance with HLOGA, we interviewed officials from the Office, obtained information from those involved in the referral process, and obtained data on the number of cases referred, pending, and resolved.

Our objectives did not include identifying lobbyists who failed to register and report in accordance with HLOGA requirements, or whether for those lobbyists that did register and report, all lobbying activity was disclosed. We conducted this performance audit from December 2008 through March 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: List of Registrants and Clients for Sampled Lobbying Disclosure Reports

We used each report's filing identification number to select our random sample of lobbying disclosure reports. Each identification number is linked to a unique pair of registrant and client names.

Table 3: Names of Registrants and Clients Selected in Random Sample of Lobbying Disclosure Reports Filed in the First Three Quarters of 2008

Registrant Name	Client Name
AgVantage LLC	Nature Conservancy
Akin Gump Strauss Hauer & Feld	Kohlberg Kravis Roberts & Company
Alcade & Fay	Seminole County, FL
Allergan, Inc.	Allergan, Inc.
American Association of State Colleges and Universities	American Association of State Colleges and Universities
American Bankers Insurance Association	American Bankers Insurance Association
American Symphony Orchestra League	American Symphony Orchestra League – DBA League of American Orchestras
B&D Consulting	City of Fort Wayne
Barbour Griffith & Rogers, LLC d/b/a BGR Holding	Agudath Israel of America
Barnes and Thornburg, LLP	Cook County, IL
Bingham McCutchen, LLP	Asbestos Study Group
Blank Rome Government Relations	Sound Transit
BlueWater Strategies LLC	Verizon Communications
Borski Associates	Arsenal Associates
Camille Bonta	Sanofi-Aventis U.S., Inc.
Cardinal Point Partners	Alion Science and Technology
Carmen Group, Inc.	City of St. Helena
Cassidy and Associates	Eaglepicher Technologies, LLC
Cauthen Forbes & Williams	Merck
CJ Strategies	Submergence Group
Clarendon Group	Lifespan
Clark and Weinstock	Louis Dreyfus Property Group
Cloud and Company, LLC	ExxonMobil Corporation
Committee for Education Funding	Committee for Education Funding
Cornerstone Government Affairs	US Rice Producers Association
Daryl Owen Associates, Inc.	Edison Chouest Offshore/Seacor Marine
David Peyton	Vermeer Manufacturing Company
Davis & Harman, LLP	American Horse Council, Inc.
DC Associates, LLC	Beck Disaster Recovery, Inc.

**Appendix II: List of Registrants and Clients
for Sampled Lobbying Disclosure Reports**

Registrant Name	Client Name
Denny Miller Associates	Battelle Pacific Northwest
Dickstein Shapiro LLP	Cigar Association of America
DLA Piper	Sanofi Pasteur
DTB Associates, LLP	City of Saint Paul Island, Alaska
Duetto Group, LLC ^a	NUMBERSUSA
Dutko Worldwide, LLC	Math for America
Edmund Graber	Illinois Public Transit Association
Elmendorf Strategies, LLC	Ford Motor Company
ENS Resources, Inc.	City of Sacramento, Dept of Utilities
Ervin Technical Associates, Inc.	Kuchera Industries
Federal Policy Group	Electrolux
Fennel Consulting, LLC	National Reverse Mortgage Lenders Association
Fierce, Isakowitz & Blalock	Yum! Brands
Financial Industry Regulatory Authority (FINRA)(formerly known as NASD)	Financial Industry Regulatory Authority (FINRA)(formerly known as NASD)
Fleishman-Hillard Government Relations	Imation
Frazer Associates	Truste
George B. Patrick	The Rhoads Group
Glover Park Group, LLC	Regence
Halliburton Company	Halliburton
HC Associates, Inc.	American's Health Insurance Plans
Holland & Knight, LLP	City of Charlotte
Independent Electrical Contractors, Inc.	Independent Electrical Contractors, Inc.
Iraq and Afghanistan Veterans of America, Inc.	Iraq and Afghanistan Veterans of America, Inc.
Jack Ferguson Assoc. Inc	AT&T
Jim Hansen & Associates	Marion Energy, Inc.
J M Burkman & Associates	All Day Solar
K&L Gates	NCL Corporation
Kadesh & Associates	Genentech
King and Spalding, LLP	John Maneely Co.
Kinghorn Hilbert & Associates	Vforge
Law Offices of Kevin G. Curtin	Verizon
Marlowe & Company	Grand Strand Coastal Alliance (Myrtle Beach, NC)
mCapitol Management	City of North Vernon, Indiana
McCann Capitol Advocates	Chicago Transit Authority

**Appendix II: List of Registrants and Clients
for Sampled Lobbying Disclosure Reports**

Registrant Name	Client Name
McDermott, Will, and Emery	California Cling Peach Board
McKenna, Long & Aldridge	Research in Motion
Monument Policy Group, LLC	Travel Business Roundtable
Morhard & Associates	DRS Technologies, Inc.
National Association of Veterans' Research and Education Foundations	National Association of Veterans' Research and Education Foundations
National Water Resources Association	National Water Resources Association
NATV Group, LLC	National Indian Gaming Association
O'Brien DC	California Association of Nurseries and Garden Centers
Patton Boggs LLP	Hillside Capital Incorporated
PMA Group	Unisys Corporation
Podesta Group, Inc.	Cherokee Nation
Polk Consulting, LLC	Sisters of Mercy Health System
Potomac Counsel	Boys & Girls Clubs of America
Public Strategies, Inc.	Rosetta Stone, Ltd.
Quinn Gillespie & Associates	Tyson Foods, Inc.
Ricchetti, Inc.	Sanofi Aventis US, Inc.
Russ Reid Company	National Grid
Ryan Phillips Utrecht and McKennon	Freddie Mac
Sirote and Permutt PC	American Family Business Institute
Snack Food Association ^a	Snack Food Association
Stevens & Lee	Susquehanna Health System
Strategic Marketing Innovations	Advanced Composites Group
The Joseph Group, LLC	ICO Global Communications
The Livingston Group	Merscorp, Inc.
The Loeffler Group	Texas Association for Home Care
The Pennsylvania Avenue Group	University of North Carolina Chapel Hill Foundation
The Rhoads Group	University of Pittsburgh, School of Health and Rehabilitation Sciences
The Wessel Group	United Steelworkers
Triadvocates	City of Surprise
US Oil & Gas Association	US Oil & Gas Association
Van Ness Feldman	Kvichak Marine Industries
Van Scoyoc Associates	National Association of Foster Grandparent Program Directors
Van Scoyoc Associates	Sacramento County Airport System
Washington Partners, LLC	Afterschool Alliance

**Appendix II: List of Registrants and Clients
for Sampled Lobbying Disclosure Reports**

Registrant Name	Client Name
Williams & Jensen, PLLC	Gryphon Holdings
Winning Strategies Washington	Spinal Muscular Atrophy Association
World Shipping Council	World Shipping Council

Source: Lobbying disclosure database of the Secretary of the Senate, first three quarters, calendar year 2008.

*Two Lobbyists declined our request to meet and provide documentation during our review, which ended March 12, 2009. After that date, representatives from the Duetto Group and Snack Food Association contacted us about a meeting. We were able to meet with the Duetto Group representative on March 24, 2009, but, as we advised Duetto Group, the results from that meeting are not included in our analysis.

Appendix III: Full List of Sampled Lobbying Contribution Reports

Table 4: Names of Lobbyists and Lobbying Firms Selected in Random Sample of Lobbying Contribution Reports Filed Mid-Year 2008

Lobbyist Name / Lobbying Firm Name
American Association of Port Authorities
American College of Physician Services, Inc.
American Frozen Food Institute
American Home Furnishings Alliance
Associated General Contractors Of America
Beckstrom, Brad
Berry Thompson, Marilyn Ann
Blumer, Patti
Boisclair, Jon L.
Bridgestone Americas Holding, Inc.
Buscher, John
Campbell, Jean
CARE Action Now, Inc.
Carlson, Donald G.
Carr, Mark
Caterpillar Inc.
Chaney, Carolyn Cushman
Ciocci, Linda Church
CONSOL Energy Inc.
Corrigan, Joseph
Cortinas-Garcia, Juan
Dayanim, Behnam
Dixson, Herbert Lee Jr.
Dominion
Elliott, Lesley
Elmore, Diane
Financial Services Roundtable
Fluharty, John ^a
General Atomics
Giuli, Steven
Goldstein, Ellen
Goodrich Corporation
Grant Consulting Group
Green, Kaylene

**Appendix III: Full List of Sampled Lobbying
Contribution Reports**

Lobbyist Name / Lobbying Firm Name

Griffin, Janet

Gullion, Christy

Guzzetti, Arthur Louis

H&R Block, Inc.

Hanson, Michael

Hayden, Lou

Haywood, Julian A.

Hecht Spencer & Associates, Inc.

Hilbert, John W. III

Howard, Paul A. II

Hunter, Justin R.

Jacobson, Michael

Johnson Controls, Inc.

Kastner, Michael

Kentz, Andrew W.

Kranbuhl, Page

Kutler, Alison

Langton Associates

Lasoff, Laurence 'Larry'

Lehman, Kathryn H.

Lehman, Trent R.

Ludgin, Peter Adam

Lugar, David

MacAndrews South Corporation (Formerly MacAndrews & Forbes Holdings, Inc.)

Mandigo, Glenton Thomas

Mattel, Inc.

McMakin, Ben Lee

Meaux Washington Group

Metz, Patrick T.

Miller/Wenhold Capitol Strategies, LLC

Moler, Elizabeth A.

Nicely, Matthew R.

O'Hanlon, G John

Olson, Richard Wayne

OSI Restaurant Partners, LLC

Pavlovic, Dejan

Petrich, Jeffrey Paul

**Appendix III: Full List of Sampled Lobbying
Contribution Reports**

Lobbyist Name / Lobbying Firm Name

Poleto, David

Policyworks

Primosch, Bill

Puget Sound Energy

Quinn, Jack

Raffaniello & Associates, LLC

Range, James D^b

Rhines, Judith

Richard Cockrum^c

Rodriguez, Estuardo Valdemar

Romans, Lawrence J.

Rossbach, Jason

Royer, Robert Stewart

Sapirstein, Eric

SGL Federal

Smith, Patricia P.

Stirling Strategic Services, LLC

Terri Lodge^c

Texas Cattle Feeders Association

The Cook Group, Inc.

The Mike Waite Company, Inc.

The Regence Group

Thibau, Janelle C.

Thomasson, Patsy Lee

Tooze, Colin

Unilever United States, Inc.

Valente, Thomas Silvio

Venetoulis, Lynn Morrison

White, Sam

Source: Lobbying contributions database of the Secretary of the Senate, mid-year reports for calendar year 2008.

^aUnable to contact lobbyist.

^bLobbyist is deceased.

^cContributions report filed by a sole proprietor for the organization.

Appendix IV: GAO Contacts and Staff Acknowledgments

GAO Contact

George Stalcup, 202-512-6806, or stalcupg@gao.gov

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In addition to the contacts named above, Robert J. Cramer, Associate General Counsel; William M. Reinsberg, Assistant Director; Shirley A. Jones, Assistant General Counsel; Katrina D. Taylor, Analyst-in-Charge; Colleen M. Candrl; Ellen T. Grady; Dean P. Gudicello; Anna Maria Ortiz; Melanie H. Papasian; Sabrina C. Streagle; and Gregory H. Wilmoth made key contributions to this report.

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