

April 2013

2012 LOBBYING DISCLOSURE

Observations on Lobbyists' Compliance with Disclosure Requirements



Highlights of [GAO-13-437](#), a report to congressional committees

Why GAO Did This Study

HLOGA requires lobbyists to file quarterly lobbying disclosure reports and semiannual reports on certain political contributions. HLOGA also requires that GAO annually (1) audit the extent to which lobbyists can demonstrate compliance with disclosure requirements, (2) identify challenges to compliance that lobbyists report, and (3) describe the resources and authorities available to the U.S. Attorney's Office for the District of Columbia and the efforts the Office has made to improve its enforcement of the LDA, as amended. This is GAO's sixth report under the mandate.

GAO reviewed a stratified random sample of 100 quarterly disclosure LD-2 reports filed for the third and fourth quarters of calendar year 2011 and the first and second quarters of calendar year 2012. GAO also reviewed two random samples totaling 160 LD-203 reports from year-end 2011 and midyear 2012. This methodology allowed GAO to generalize to the population of 49,286 disclosure reports with \$5,000 or more in lobbying activity and 31,894 reports of federal political campaign contributions. GAO also met with officials from the Office to obtain updated statuses on the Office's efforts to focus resources on lobbyists who fail to comply.

GAO provided a draft of this report to the Attorney General for review and comment. The Assistant U.S. Attorney for the District of Columbia responded on behalf of the Attorney General that the Department of Justice had no comments on the draft of this report.

View [GAO-13-437](#). For more information, contact J. Christopher Mihm at (202) 512-6806 or mihmj@gao.gov.

April 2013

2012 LOBBYING DISCLOSURE

Observations on Lobbyists' Compliance with Disclosure Requirements

What GAO Found

Most lobbyists were able to provide documentation to demonstrate compliance with the disclosure requirements of the Lobbying Disclosure Act of 1995 (LDA), as amended by the Honest Leadership and Open Government Act of 2007 (HLOGA). For lobbying disclosure reports (LD-2), GAO estimates that

- 97 percent could provide documentation to support reported income and expenses;
- 74 percent of the reported income and expenses were properly rounded to the nearest \$10,000;
- 85 percent filed year-end 2011 or midyear 2012 federal political campaign (LD-203) reports as required; and
- a minimum of 15 percent of all LD-2 reports did not properly disclose formerly held covered positions as required. The LDA defines several types of covered positions, including members of Congress and their staff and certain executive branch officials.

These findings are consistent with reviews from prior years.

For LD-203 reports, GAO estimates that a minimum of 6 percent of all LD-203 reports omitted one or more reportable political contributions that were documented in the Federal Election Commission (FEC) database. Twenty-eight lobbyists in GAO's sample, compared to 17 last year, stated that they planned to amend their lobbying registration (LD-1) or LD-2 report following GAO's review to correct one or more data elements. Of these, 19 lobbyists had filed an amended report as of March 2013.

The majority of newly registered lobbyists filed LD-2 reports as required. Lobbyists are required to file LD-2 reports for the quarter in which they first register. GAO could identify corresponding reports on file for lobbying activity for 90 percent of registrants, which is similar to last year's findings.

Most lobbyists in our sample rated the terms associated with LD-2 reporting as "very easy" or "somewhat easy" to understand with regard to meeting their reporting requirements. However, a few cited challenges to complying with the LDA, as amended, such as differentiating between lobbying and non-lobbying activities.

The U.S. Attorney's Office for the District of Columbia (the Office) stated that it has sufficient authority and resources to enforce compliance with LDA requirements, including imposing civil or criminal penalties for noncompliance. Officials reported that during the 2012 reporting period, the Office took steps to pursue legal action, made phone contacts, or sent emails to eight registrants that had been repeatedly referred for failure to file required disclosure reports. Four of the registrants filed the outstanding reports or terminated their registration after being contacted by an Assistant U.S. Attorney. Additionally, in September 2012, the Office reached settlement agreements with two of the registrants for \$50,000 and \$30,000 in civil penalties. As of March 2013, both firms have paid their fines in full and complied with their ongoing reporting requirements. In February 2013, the Office sent demand letters to the two other registrants who, as of March 2013, have not responded.

Contents

Letter		1
	Background	3
	Documentation to Support Some LD-2 Report Elements Varied, but Most Newly Registered Lobbyists Met Disclosure Reporting Requirements	7
	While Most Lobbying Firms Reported that the Disclosure Requirements Were Very Easy or Somewhat Easy to Meet, A Few Lobbyists Reported Challenges in Complying with the Act	14
	U.S. Attorney's Office Actions to Enforce the LDA	17
	Agency Comments	23
Appendix I	Objectives, Scope, and Methodology	26
Appendix II	List of Registrants and Clients for Sampled Lobbying Disclosure Reports	32
Appendix III	List of Sampled Lobbying Contribution Reports with Contributions and No Contributions Listed	36
Appendix IV	GAO Contact and Staff Acknowledgments	41
Tables		
	Table 1: Differences in the Amount Reported by at Least \$10,000 and Rounding Errors in Documentation for Income and Expenses Provided for LD-2 Reports from 2010 through 2012	8
	Table 2: Reasons Lobbyists in our Sample Cited for Not Having Documentation for Some Elements of their LD-2 Reports	10
	Table 3: Reasons Lobbyists in Our Sample Cited for Planning to Amend Their LD-1 or LD-2 Report and the Number of Amendments filed	12
	Table 4: Comparison of LD-203 Reports that Omitted Political Contributions, 2010 through 2012	13

Table 5: Number of LD-2 Referrals the U.S. Attorney's Office Received and Noncompliance Letters the Office Sent	18
Table 6: Number of LD-203 Referrals the U.S. Attorney's Office Received and Noncompliance Letters the Office Sent	21
Table 7: Names of Registrants and Clients Selected in Random Sample of Lobbying Disclosure Reports Filed in the Third and Fourth Quarters of 2011 and the First and Second Quarters of 2012	32
Table 8: Lobbyists and Lobbying Firms in Random Sample of Lobbying Contribution Reports with Contributions Listed, Filed Year-end 2011 and Midyear 2012	36
Table 9: Lobbyists and Lobbying Firms in Random Sample of Lobbying Contribution Reports with No Contributions Listed, Filed Year-end 2011 and Midyear 2012	38

Figures

Figure 1: Extent to which Lobbyists Provided Documentation to Support Selected Elements of LD-2 Reports	9
Figure 2: Feedback from Some Lobbyists in Our Sample of Reports Who Reported Challenges to Complying with the Act	15
Figure 3: Ease of Understanding Terms Associated with LD-2 Reporting for Lobbyists in Interviews	16
Figure 4: Status of LDA Enforcement Actions for LD-2 Reporting	20
Figure 5: Status of LDA Enforcement Actions for LD-203 Reporting	21

Abbreviations

Clerk of the House	Clerk of the House of Representatives
FEC	Federal Election Commission
HLOGA	Honest Leadership and Open Government Act of 2007
LDA	Lobbying Disclosure Act of 1995
Office	U.S. Attorney's Office for the District of Columbia

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



United States Government Accountability Office
Washington, DC 20548

April 1, 2013

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)¹ amended the Lobbying Disclosure Act of 1995 (LDA)² to require lobbyists to file quarterly lobbying disclosure reports and semiannual reports on certain political contributions. HLOGA also increased civil penalties and added criminal penalties for failure to comply with LDA requirements. The mandate requires us to audit the extent of lobbyists' compliance with the requirements of the LDA by reviewing publicly available lobbying registrations and a random sampling of reports filed during each calendar year.³ Our report shall include any recommendations related to improving lobbyists' compliance with the LDA and information on resources and authorities available to the U.S. Attorney's Office for the District of Columbia (the Office) for effective enforcement of the LDA. This is our sixth mandated review of lobbyists' disclosure reports filed under the LDA.

Consistent with our mandate, our objectives were to (1) determine the extent to which lobbyists are able to demonstrate compliance with the requirements of the LDA, as amended, for registrations and reports; (2) identify challenges and potential improvements to compliance by lobbyists, lobbying firms, and registrants, if any; and (3) describe the resources and authorities available to the Office for the District of Columbia in its role in enforcing compliance with the LDA and the efforts the Office has made to improve its enforcement of the LDA.

To fulfill our audit requirement in HLOGA, we took the following steps:

¹ Pub. L. No. 110-81, 121 Stat. 735 (Sept. 14, 2007).

² Pub. L. No. 104-65, 109 Stat. 691 (Dec. 19, 1995) (2 U.S.C. §§ 1601-1614).

³ 2 U.S.C. § 1614.

To determine the extent to which lobbyists can demonstrate compliance, we selected a stratified random sample of 100 quarterly lobbying disclosure (LD-2) reports with income and expenses of \$5,000 or more filed during the third and fourth quarters of calendar year 2011 and the first and second quarters of calendar year 2012. We selected the randomly sampled reports from the publicly downloadable database maintained by the Clerk of the House of Representatives (Clerk of the House). Appendix II contains a list of lobbyists (registrants and clients) who we randomly selected for our review of LD-2 reports. This methodology allows us to generalize to the population of these LD-2 reports. We then contacted each lobbyist or lobbying firm⁴ in our sample and asked them to provide supporting documentation for key elements of their LD-2 reports, including the amount of money received for lobbying activities, the houses of Congress or executive branch agencies lobbied, lobbying issue areas, and lobbyists reported as having worked on the issues. We also reviewed whether lobbyists listed on the LD-2 reports properly disclosed prior covered official positions, and whether the lobbyists filed the semiannual report of federal political contributions. All lobbyists in our sample responded to our requests for supporting documentation.

To determine whether lobbyists reported their federal political contributions as required by the LDA, as amended, we analyzed stratified random samples of year-end 2011 and midyear 2012 semiannual federal political contributions (LD-203) reports. The samples contain 80 LD-203 reports that have contributions listed and 80 LD-203 reports that list no contributions. We selected the randomly sampled reports from the publicly downloadable contributions database maintained by the Clerk of the House. See appendix III for a list of lobbyists and lobbying firms randomly selected for our review of LD-203 reports. We then checked the contributions reported in the Federal Election Commission's (FEC) database against the contributions identified in our sample to determine whether all contributions reported in the FEC database were also reported on the LD-203s, as required. We contacted lobbyists and asked them to provide documentation to clarify differences we observed. All

⁴ Although we contacted each lobbyist or lobbying firm in our sample, we did not always meet with the lobbyists identified as the point of contact or the actual lobbyists, we met with individuals representing lobbyists or lobbying firms. For the purposes of this review, we use the term lobbyists to refer to lobbyists, lobbying firms, and individuals representing the lobbyists that were present during the review.

lobbyists complied with our request to provide documentation. This methodology allows us to generalize to the population of LD-203 reports both with and without contributions.

To determine whether registrants were meeting the requirement to file an LD-2 report for the quarter in which they registered, we compared new registrations (commonly referred to as LD-1s) filed in the third and fourth quarters of 2011 and the first and second quarters of 2012 to the corresponding LD-2 reports on file with the Clerk of the House.

To identify challenges and potential improvements to compliance, we used structured interviews to obtain views from lobbyists included in our sample of reports.

To describe the resources and authorities available to the Office and its efforts to improve its enforcement of the LDA, we interviewed officials from the Office and obtained updated information on the capabilities of the system they established to track and report compliance trends and referrals, and other practices established to focus resources on enforcement of the Act. The Office provided us with updated reports from the tracking system on the number and status of referrals and chronically noncompliant offenders.

The mandate does not require us to identify lobbyist organizations that failed to register and report in accordance with LDA requirements. The mandate also does not require us to determine whether reported lobbying activity or contributions represented the full extent of lobbying activities that took place.

We conducted this performance audit from June 2012 to April 2013 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, see appendix I.

Background

The LDA, as amended by HLOGA, requires lobbyists to register with the Secretary of the Senate and the Clerk of the House and file quarterly reports disclosing their lobbying activity. Lobbyists are required to file their 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). Registrations and reports must be publicly available in downloadable, searchable databases from the Secretary of the Senate and the Clerk of the House. No specific requirements exist for lobbyists to generate or maintain documentation in support of the information disclosed in the reports they file. However, guidance issued by the Secretary of the Senate and the Clerk of the House recommends that lobbyists retain copies of their filings and supporting documentation for at least 6 years after they file their reports.

The LDA requires that the Secretary of the Senate and the Clerk of the House provide guidance and assistance on the registration and reporting requirements of the LDA and develop common standards, rules, and procedures for compliance with the LDA. The Secretary of the Senate and the Clerk of the House review the guidance semiannually. The guidance was last reviewed and revised in February 2013. The guidance provides definitions of terms in the LDA, elaborates on the registration and reporting requirements, includes specific examples of different scenarios, and provides explanations of why certain scenarios prompt or do not prompt disclosure under the LDA. The Secretary of the Senate and Clerk of the House previously told us they consider information we report on lobbying disclosure compliance when they periodically update the guidance.

The LDA defines a lobbyist as an individual who is employed or retained by a client for compensation, who has made more than one lobbying contact (written or oral communication to a covered executive or legislative branch official made on behalf of a client), and whose lobbying activities⁵ represent at least 20 percent of the time that he or she spends on behalf of the client during the quarter.⁶ Lobbying firms are persons or entities that have one or more employees who lobby on behalf of a client other than that person or entity.⁷

⁵ Lobbying activities include not only direct lobbying contacts but also efforts in support of such contacts, such as preparation and planning activities, research, and other background work that is intended for use in contacts.

⁶ 2 U.S.C. § 1602(10).

⁷ 2 U.S.C. § 1602(9).

Lobbying firms are required to file a registration with the Secretary of the Senate and the Clerk of the House for each client if the firms receive or expect to receive over \$3,000 in income or \$12,500 in incurred expenses from that client for lobbying activities.⁸ Lobbyists are also required to submit a quarterly report, also known as an LD-2 report, for each registration filed. The registration and subsequent LD-2 reports contain the following elements, if applicable:

- the name of the organization, lobbying firm, or self-employed individual that is lobbying on that client's behalf;
- a list of individuals who acted as lobbyists on behalf of the client during the reporting period;
- whether any lobbyists served as covered executive branch or legislative branch covered officials in the previous 20 years;⁹
- the name of and further information about the client, including a general description of its business or activities;
- information on the specific lobbying issue areas and corresponding general issue codes used to describe lobbying activities;
- any foreign entities that have an interest in the client;
- whether the client is a state or local government;
- information on which federal agencies and houses of Congress the lobbyist contacted on behalf of the client during the reporting period;
- the amount of income related to lobbying activities received from the client (or expenses for organizations with in-house lobbyists) during the quarter rounded to the nearest \$10,000; and

⁸ Organizations employing in-house lobbyists file only one registration. An organization is exempt from filing if total expenses in connection with lobbying activities are not expected to exceed \$12,500. Amounts are adjusted for inflation and published in the LDA guidance.

⁹ The LDA 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 officer or employee serving in levels I through 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, policymaking, or policy-advocating character who is excepted from competitive service as determined by the Office of Personnel Management (commonly called Schedule C employees). The LDA defines a covered legislative branch official as a member of Congress, an elected officer of either house of Congress, or any employee or any other individual functioning in the capacity of an 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. 2 U.S.C. § 1602(3), (4).

-
- a list of constituent organizations that contribute more than \$5,000 for lobbying in a quarter and actively participate in planning, supervising, or controlling lobbying activities, if the client is a coalition or association.

The LDA, as amended, also requires lobbyists to report certain contributions semiannually in the LD-203 report. These reports must be filed 30 days after the end of a semiannual period by each lobbying firm registered to lobby and by each individual listed as a lobbyist on a firm's lobbying reports. The lobbyists or lobbying firms must

- list the name of each federal candidate or officeholder, leadership political action committee, or political party committee to which they made contributions equal to or exceeding \$200 in the aggregate during the semiannual period;
- report contributions made to presidential library foundations and presidential inaugural committees;
- 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; and
- certify that they have read and are familiar with the gift and travel rules of the Senate and House and that they have not provided, requested, or directed a gift or travel to a member, officer, or employee of Congress that would violate those rules.

The Secretary of the Senate and the Clerk of the House, along with the U.S. Attorney's Office for the District of Columbia are responsible for ensuring compliance with the LDA. The Secretary of the Senate and the Clerk of the House notify lobbyists or lobbying firms in writing that they are not complying with reporting requirements in the LDA, and subsequently refer those lobbyists who fail to provide an appropriate response to the Office. The Office researches these referrals and sends additional noncompliance notices to the lobbyists, requesting that the lobbyists file reports or correct reported information. If the Office does not receive a response after 60 days, it decides whether to pursue a civil or criminal case against each noncompliant lobbyist. A civil case could lead to penalties up to \$200,000, while a criminal case—usually pursued if a lobbyist's noncompliance is found to be knowing and corrupt—could lead to a maximum of 5 years in prison.

Documentation to Support Some LD-2 Report Elements Varied, but Most Newly Registered Lobbyists Met Disclosure Reporting Requirements

Lobbyists Provided Documentation for Most LD-2 Reports, but Documentation for Some Report Elements Did Not Match Their Disclosure Reports

As in our prior reviews, most lobbyists reporting \$5,000 or more in income or expenses were able to provide documentation to varying degrees for the reporting elements in their disclosure reports.¹⁰ Lobbyists for an estimated 97 percent of LD-2 reports (97 out of 100) were able to provide documentation to support the income and expenses reported for the third and fourth quarters of 2011 and the first and second quarters of 2012.¹¹ Lobbyists most commonly provided documentation in the form of invoices and contracts. Last year, lobbyists were able to provide documentation for income and expenses for an estimated 93 percent of LD-2 reports for the quarters under review.¹² Table 1 compares the number of LD-2 reports with differences in the amount of income and expenses reported by at

¹⁰ See GAO, *2011 Lobbying Disclosure: Observations on Lobbyists' Compliance with Disclosure Requirements*, [GAO-12-492](#) (Washington, D.C.: March 30, 2012); *2010 Lobbying Disclosure: Observations on Lobbyists' Compliance with Disclosure Requirements*, [GAO-11-452](#), (Washington, D.C.: Apr. 1, 2011); *2009 Lobbying Disclosure: Observations on Lobbyists' Compliance with Disclosure Requirements*, [GAO-10-499](#) (Washington, D.C.: Apr. 1, 2010); *2008 Lobbying Disclosure: Observations on Lobbyists' Compliance with Disclosure Requirements*, [GAO-09-487](#) (Washington, D.C.: Apr. 1, 2009); and *Lobbying Disclosure: Observations on Lobbyists' Compliance with New Disclosure Requirements*, [GAO-08-1099](#) (Washington, D.C.: Sept. 30, 2008).

¹¹ Our sample is only one of a large number of samples that we might have drawn. Because each sample could have provided different estimates, we express our confidence in the precision of our estimate as a 95 percent confidence interval. This interval would contain the actual population value for 95 percent of the samples we could have drawn. Unless otherwise stated, all percentage estimates have a maximum 95 percent confidence interval of within 10.5 percentage points or less of the estimate.

¹² [GAO-12-492](#).

least \$10,000 and those with rounding errors in documentation for income and expenses provided for LD-2 reports from 2010 through 2012.¹³

Table 1: Differences in the Amount Reported by at Least \$10,000 and Rounding Errors in Documentation for Income and Expenses Provided for LD-2 Reports from 2010 through 2012

	2010	2011	2012
Properly rounded to the nearest \$10,000	68% (65 of 96)	63% (59 of 93)	74% (72 of 97)
Differed from the amount by at least \$10,000	13% (13 of 96)	16% (15 of 93)	5% (5 of 97)
Had rounding errors	19% (18 of 96)	21% (19 of 93)	21% (20 of 97)

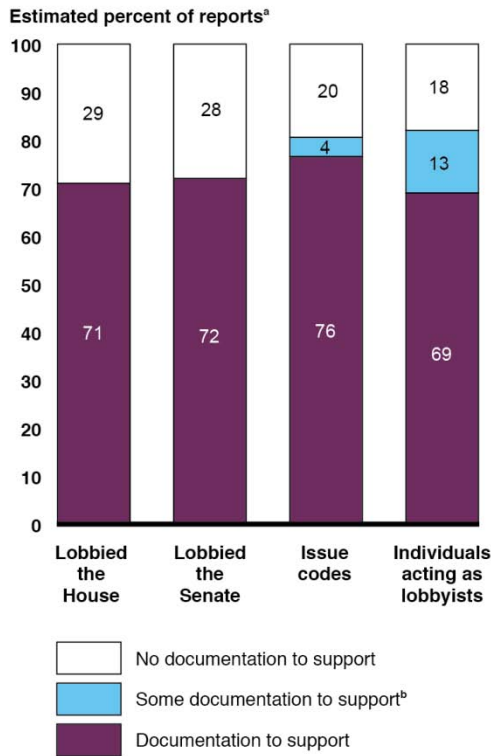
Source: GAO.

Note: Data for 2011 are from last year's review [GAO-12-492](#) and 2010 data are from the prior year's review [GAO-11-452](#). Percentage estimates in the figure have a maximum margin of error of plus or minus 10.1 percentage points of the estimate and are weighted to account for the probability of selection. While the results of our review were generally consistent from 2010 through 2012, our sample was not designed to detect differences over time.

Figure 1 illustrates the extent to which lobbyists were able to provide documentation to support selected elements on the LD-2 reports.

¹³ Lobbyists are expected to provide a good faith estimate on the LD-2 report of income and expenses reported rounded to the nearest \$10,000. Our estimate of the number of reports with rounding errors includes reports that disclosed the exact amount of income from or expenditures on lobbying activities, but failed to round to the nearest \$10,000 as required.

Figure 1: Extent to which Lobbyists Provided Documentation to Support Selected Elements of LD-2 Reports



Source: GAO.

^aPercentage estimates in the figure have a 95 percent confidence interval of plus or minus 10.5 percentage points or less of the estimates.

^bLobbyists having some documentation to support, issue codes and the names of individuals acting as lobbyists refers to the lobbyists being able to provide documentation for only some of the issue codes, or lobbyists reported.

Of the 100 LD-2 reports in our sample, 51 disclosed lobbying activities at executive branch agencies with lobbyists for 30 of these reports providing documentation to support lobbying activities at all agencies listed.

Table 2 lists common reasons why some lobbyists we interviewed said they did not have documentation for some of the elements of their LD-2 reports.

Table 2: Reasons Lobbyists in our Sample Cited for Not Having Documentation for Some Elements of their LD-2 Reports

LD-2 report element	Reasons for not having documentation	Number of instances reported
Lobbied the houses of Congress	Did not keep documentation	28
	Did not lobby the Houses of Congress for that quarter	21
	Had documentation, but did not provide documentation by follow-up date ^a	5
Individuals acting as lobbyists	Did not keep documentation	38
	Did not lobby on behalf of the client	3
	Had documentation, but did not provide documentation by follow-up date ^a	13
Reported lobbying income or expenses	Did not keep documentation	1
	Had documentation, but did not provide the documentation by the follow-up date ^a	5

Source: GAO.

Note: Lobbyists may have reported more than one reason for not having documentation to explain more than one element that was not documented on their LD-2 report.

^aAfter our review, firms that did not have documentation available at the meeting agreed to provide documentation by a mutually agreed upon due date.

Lobbyists Properly Disclosed Most Covered Positions and Filed LD-203 Reports as Required

The LDA requires a lobbyist to disclose previously held covered positions when first registering as a lobbyist for a new client, either on the LD-1 or on the LD-2 quarterly filing when added as a new lobbyist. Based on our analysis, we estimate that a minimum of 15 percent of all LD-2 reports did not properly disclose one or more previously held covered positions compared to 11 percent for 2011 and 9 percent for 2010.¹⁴ These results are generally consistent from 2010 through 2012. Of those that failed to disclose properly, 11 LD-2 amendments and 2 LD-1 amendments were filed to properly disclose covered positions and two lobbying firms addressed the omitted covered positions on subsequent LD-2 filings.

Two lobbyists said they were confused as to whether intern positions are covered positions. One of those lobbyists amended the LD-2 report to disclose an unpaid internship. However, officials from the Office of the

¹⁴ For information on our methodology, see appendix I. See [GAO-12-492](#) and [GAO-11-452](#).

Secretary of the Senate and the Clerk of the House clarified that unpaid internships are not considered covered official positions, and are not required to be disclosed. Two other lobbyists in our sample said they were unaware of the HLOGA requirement to disclose covered positions held within the last 20 years of first acting as a lobbyist for a client.

Lobbyists for an estimated 85 percent (85 of 100) of LD-2 reports filed year-end 2011 or midyear 2012 LD-203 contribution reports for all lobbyists and lobbying firms listed on the report as required.¹⁵ This finding is consistent with previous reports.¹⁶ All individual lobbyists and lobbying firms reporting specific lobbying activity are required to file LD-203 reports semiannually, even if they have no contributions to report, because they must certify compliance with the gift and travel rules.

More Lobbying Firms Indicated That They Planned to Amend Their LD-2 Reports as a Result of GAO's Review

Compared to our last review, more lobbying firms indicated that they planned to amend their LD-2 reports as a result of our review. This year, for 28 of the LD-2 reports in our sample, lobbyists indicated they planned to amend their LD-1 or LD-2 reports as a result of our review. As of March 2013, 16 of those 28 lobbying firms had filed an amended LD-2 report and 3 lobbying firms amended their LD-1 report to make changes to information that was previously reported.¹⁷ Last year, for 17 of the LD-2 reports in our sample, lobbyists indicated they planned to amend their LD-2 reports, and as of March 2012, 9 had done so.¹⁸

¹⁵ As part of our LD-2 report review, we checked the Clerk of the House's database to ensure that each lobbyist and organization listed on the LD-2 report filed an LD-203 report during the most recent reporting period.

¹⁶ Our sample was not designed to detect differences over time. See [GAO-12-492](#) and [GAO-11-452](#).

¹⁷ According to the Lobbying Disclosure Electronic Filing Manual, lobbying firms must immediately file an amended LD-2 report or the LD-1 registration to make changes: (1) if notified of a defect in the original filing by the Secretary of the Senate or Clerk of the House; or (2) if erroneously reported information or an omission is discovered by the registrant. Updated LD-1 information (name and address changes, new lobbyists, and new issue area codes) must be disclosed in the registrant's next scheduled report. U.S. Congress, Lobbying Disclosure Electronic Filing, Lobbying Registration and Reporting System, Windows User Manual (February 2013).

¹⁸ [GAO-12-492](#).

Table 3 lists reasons lobbying firms in our sample cited for planning to amend their LD-1 or LD-2 reports and the number of amendments filed.

Table 3: Reasons Lobbyists in Our Sample Cited for Planning to Amend Their LD-1 or LD-2 Report and the Number of Amendments filed

	Indicated plans to file an amendment	Filed an amendment as of March 2013
Update covered position	19	13
Change reported Income or expenses	9	4
Change House, Senate or executive agency lobbying activity	4	2
Total	32^a	19

Source: GAO.

^aFour of the 28 lobbying firms that indicated they planned to file an amendment, said they planned to change more than one element of their LD-1 or LD-2 report.

In addition, 2 lobbying firms did not indicate plans to file an amendment at the time of our review, but later filed amended reports after meeting with us to add an issue area code and remove a lobbyist. Similar to our 2012 report, lobbying firms filed amendments for 3 of the LD-2 reports in our sample after being notified that their LD-2 reports were selected as part of our random sample, but prior to our review.¹⁹

Some LD-203 Contribution Reports Omitted Political Contributions Listed in the FEC Database

As part of our review, we compared contributions listed on lobbyists and lobbying firms' LD-203 reports against political contributions reported in the FEC database to identify whether political contributions were omitted on LD-203 reports in our sample. The sample of LD-203 reports we reviewed contained 80 reports with contributions and 80 reports without contributions. We estimate that overall, a minimum of 6 percent of reports failed to disclose one or more contributions.²⁰ Table 4 compares the number of LD-203 reports that omitted political contributions for 2010 through 2012.

¹⁹ [GAO-12-492](#).

²⁰ We did not estimate the percentage of other non-FEC political contributions that were omitted because they tend to constitute a small minority of all listed contributions and cannot be verified against an external data source.

Table 4: Comparison of LD-203 Reports that Omitted Political Contributions, 2010 through 2012

	2010	2011	2012
Number of reports with contributions that had one or more omissions	7	12	14
Number of reports without contributions that had one or more omissions	1	2	4
Estimated minimum percentage of all reports with one or more omissions	2%	4%	6%

Source: GAO.

Note: Data for 2011 are from last year's review [GAO-12-492](#) and 2010 data are from the prior year's review [GAO-11-452](#). Percentage estimates in the figure have a maximum margin of error of plus or minus 4.7 percentage points of the estimate and are weighted to account for the probability of selection. While the results of our review were generally consistent from 2010 through 2012, our sample was not designed to detect differences over time.

Most Newly Registered Lobbyists Filed Disclosure Reports as Required

Of the 3,074 new registrants we identified from fiscal year 2012, we were able to match 2,753 reports filed in the first quarter in which they were registered. This is a match rate of 90 percent of registrations, which is consistent with our prior reviews.²¹ To determine whether new registrants were meeting the requirement to file, we matched newly filed registrations in the third and fourth quarters of 2011 and the first and second quarters of 2012 from the House Lobbyists Disclosure Database to their corresponding quarterly disclosure reports using an electronic matching algorithm that allows for misspelling and other minor inconsistencies between the registrations and reports.

²¹ See [GAO-12-492](#) and [GAO-11-452](#).

While Most Lobbying Firms Reported that the Disclosure Requirements Were Very Easy or Somewhat Easy to Meet, A Few Lobbyists Reported Challenges in Complying with the Act

As part of our review, 90 different lobbying firms were included in our sample.²² Of the 90 different lobbying firms in our sample, 32 reported that the disclosure requirements were “very easy” to comply with, 39 reported they were “somewhat easy” and 19 reported that the disclosure requirements were “somewhat difficult” or “very difficult”.²³ Last year, we also asked the lobbying firms in our sample if they found the disclosure requirements easy to meet.²⁴ Of those 90 firms, 61 agreed that the requirements were “easy” to meet, 25 reported that requirements were “somewhat easy” to meet, and 4 reported that the disclosure requirements were “not easy” to meet.

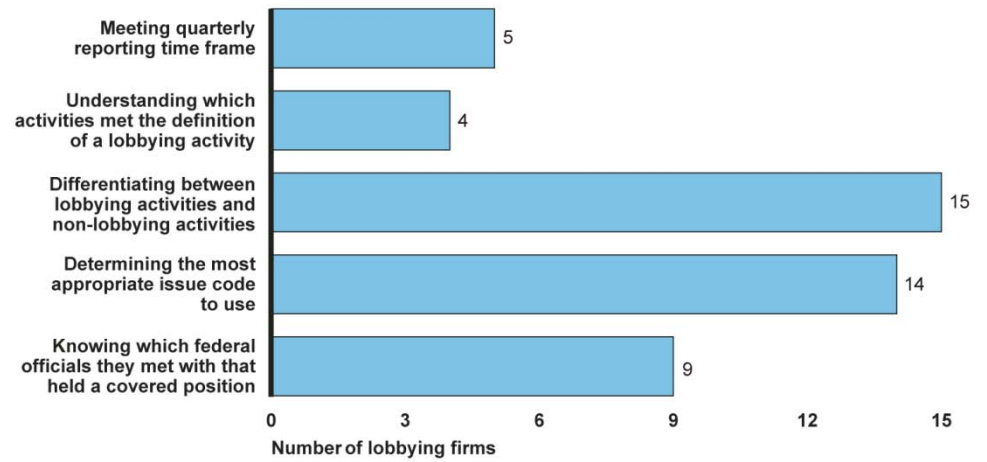
In addition, some lobbyists provided feedback identifying specific challenges to compliance, as shown in figure 2. The most frequently cited challenges were differentiating between lobbying and non-lobbying activities and determining the most appropriate issue code to use.

²² The number of lobbying firms total 90 and is less than our sample of 100 reports because some lobbying firms had more than one LD-2 report included in our sample for lobbyists that we interviewed on the same day. In these cases, we interviewed lobbyists once to ask about lobbying disclosure requirements and the clarity of lobbying terms. If the interview was conducted on a different date, but with the same registrant, we used the information from the first interview meeting.

²³ Although the percentage estimates from our sample of LD-2 reports are generalizable to all LD-2 reports, results from the analysis of lobbying firm opinions are not generalizable because our sample was designed to develop population estimates of the accuracy of information on LD-2 reports and was not designed to estimate the opinions of lobbyists.

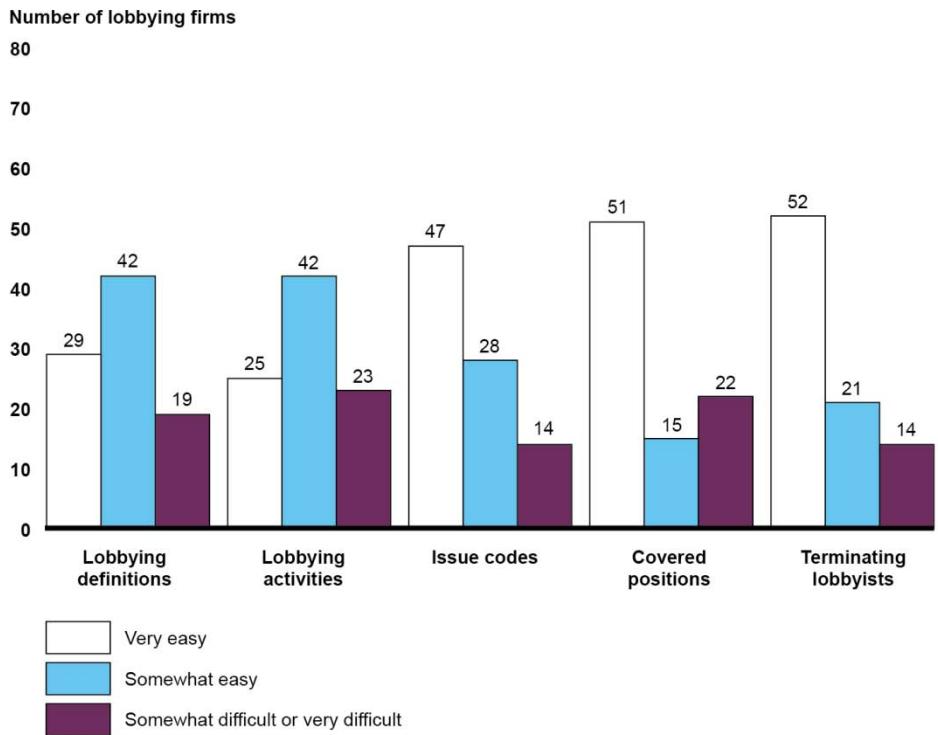
²⁴ [GAO-12-492](#).

Figure 2: Feedback from Some Lobbyists in Our Sample of Reports Who Reported Challenges to Complying with the Act



Source: GAO.

Figure 3: Ease of Understanding Terms Associated with LD-2 Reporting for Lobbyists in Interviews



Source: GAO.

Note: Although, all lobbyists were asked about challenges to complying with the Act, they did not all provide feedback on specific challenges to compliance and some lobbyists may have provided feedback on more than 1 challenge to complying with the Act.

Most lobbyists we interviewed rated the terms associated with LD-2 reporting requirements as “very easy” or “somewhat easy” to understand with regard to meeting their reporting requirements. Figure 3 shows how lobbyists rated the ease of understanding the terms associated with LD-2 reporting.

U.S. Attorney's Office Actions to Enforce the LDA

The Office's Authorities, Processes, and Resources to Enforce LDA Compliance

The Office stated that it has sufficient authority and resources to enforce compliance with LDA requirements, including imposing civil or criminal penalties for noncompliance. Noncompliance of LDA reporting requirements refers to the lobbying firm's failure to file its quarterly LD-2 disclosure reports and semiannual LD-203 reports on certain political contributions by the filing deadline. In our 2012 report, we described the Office's process for addressing referrals received from the Secretary of the Senate and Clerk of the House.²⁵ Additionally, we described the Office's staff and use of its LDA database to pursue enforcement actions and centralize the process of checking and resolving referrals. The LDA database allows the Office to track when LD-2 and LD-203 referrals are received, record reasons for referrals, record actions taken to resolve them, and assess the results of actions taken.

To enforce LDA compliance, the Office has primarily focused on sending letters to lobbyists who have potentially violated the LDA by not filing disclosure reports as required. The letters request lobbyists to comply with the law by promptly filing the appropriate disclosure reports, and inform lobbyists of potential civil and criminal penalties for not complying. In addition to sending letters, a contractor sends e-mails and calls lobbyists to inform them of their need to comply with LDA reporting requirements. Not all referred lobbyists receive noncompliance letters, e-mails, or phone calls because some of the lobbyists have terminated their registrations or filed the required financial disclosure reports before the Office received the referral.

Typically, lobbyists resolve their noncompliance issues by filing the reports or terminating their registration. As we previously reported, resolving referrals can take anywhere from a few days to years depending on the circumstances.²⁶ During this time, the Office continues to monitor and review all outstanding referrals and uses summary reports

²⁵ [GAO-12-492](#).

²⁶ [GAO-12-492](#).

from the database to track the overall number of referrals that become compliant as a result of receiving an e-mail, phone call, or noncompliance letter. According to officials from the Office, more referred lobbyists are being contacted by e-mail and phone calls, which has decreased the number of noncompliance letters the Office sends to lobbyists. Officials from the Office stated that the majority of these e-mails and calls result in the registrant becoming compliant without sending a letter. Currently, the system collects information on contacts made by e-mail and phone calls in the notes section of the referral entry in the database, but does not automatically tabulate the number of e-mails and phone calls to lobbyists, as it does for letters sent. Officials stated they would consider developing a mechanism for tracking e-mails and phone calls.

Status of LD-2 Enforcement Efforts for the 2009, 2010, 2011 and 2012 Reporting Periods

As of March 5, 2013, the Office had received approximately 2,062 referrals from both the Secretary of the Senate and the Clerk of the House for noncompliance with LD-2 requirements for the 2009, 2010, 2011, and 2012 reporting periods. Table 5 shows the number of referrals the Office received and the number of noncompliance letters the Office sent during these reporting periods. The number of referrals received will not match the number of letters sent because some referred lobbyists receive a phone call or e-mail instead of a noncompliance letter. Additionally, letters sent includes those sent to referred registrants who may have been referred for noncompliance with more than one client. According to officials from the Office, the Office has not sent any noncompliance letters for the 2012 reporting period because it is still processing the referrals it received for prior reporting periods.

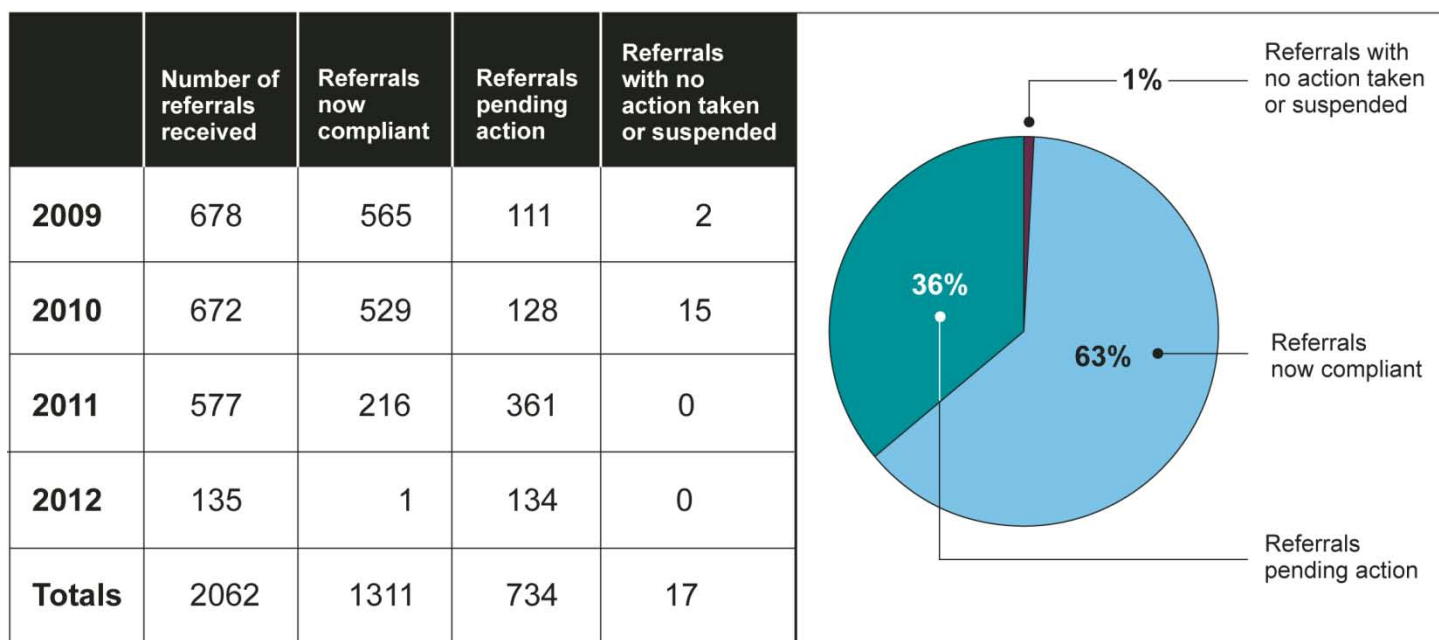
Table 5: Number of LD-2 Referrals the U.S. Attorney’s Office Received and Noncompliance Letters the Office Sent

Reporting period	Number of referrals received	Number of noncompliance letters sent
2009	678	320
2010	672	193
2011	577	179
2012	135	0

Source: U.S. Attorney’s Office for the District of Columbia.
Note: Data for 2009, 2010, and 2012 are as of February 25, 2013. Data for 2011 are as of March 5, 2013.

As shown in figure 4, about 63 percent (1,311 of 2,062) of all the lobbyists who were referred by the Secretary of the Senate and Clerk of the House for noncompliance for the 2009, 2010, 2011, and 2012 reporting periods are now considered compliant because lobbyists either filed their reports or terminated their registrations. In addition, some of the referrals were found to be compliant when the Office received the referral, and therefore no action was taken. This may occur when lobbyists have responded to the contact letters from the Secretary of the Senate and Clerk of the House after the Office has received the referrals. About 36 percent (734 of 2,062) of referrals are pending action because the Office was unable to locate the lobbyist, did not receive a response from the lobbyist, or plans to conduct additional research to determine if it can locate the lobbyist. The remaining 1 percent (17 of 2,062) of referrals did not require action or were suspended because the lobbyist or client was no longer in business or the lobbyist was deceased. The Office suspends enforcement actions against registrants that are repeatedly referred for not filing disclosure reports, but do not have any lobbying activity. The suspended registrants are periodically monitored to determine whether the registrants actively lobby in the future. As a part of this monitoring, the Office checks the lobbying disclosure databases maintained by the Secretary of the Senate and the Clerk of the House. Also, the Office's Civil Division staff discusses the status of pending and suspended referrals with the Secretary of the Senate and Clerk of the House contacts to determine whether to continue enforcement actions, which includes considering legal actions or dismissing certain referrals.

Figure 4: Status of LDA Enforcement Actions for LD-2 Reporting



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

Note: Data for 2009, 2010, and 2012 are as of February 25, 2013. Data for 2011 are as of March 5, 2013.

Status of LD-203 Enforcement Actions for the 2009, 2010, and 2011 Reporting Periods

As of March 5, 2013, the Office has also received approximately 2,472 referrals from the Secretary of the Senate and the Clerk of the House for noncompliance with LD-203 requirements for the 2009, 2010, and 2011 reporting periods. For LD-203 referrals, the Office sends noncompliance letters to the registered organizations and includes the names of the lobbyists who did not comply with the requirement to report federal campaign and political contributions and certify that they understand the gift rules. As of February 25, 2013, the Office has mailed LD-203 noncompliance letters to approximately 62 percent (482 of 773) of the referrals for the 2009 reporting period and 21 percent (270 of 1,296) of the referrals for the 2010 reporting period. According to officials from the Office, the Office is still processing the LD-203 referrals it received for the 2011 reporting period and has not yet sent noncompliance letters. Officials said they have not addressed the 2011 referrals because they have been focusing on the referrals for prior years. Table 6 shows the number of referrals the Office received for noncompliance with the LD-

203 reports filed for the 2009, 2010, and 2011 reporting periods and the number of letters sent by the Office.

Table 6: Number of LD-203 Referrals the U.S. Attorney's Office Received and Noncompliance Letters the Office Sent

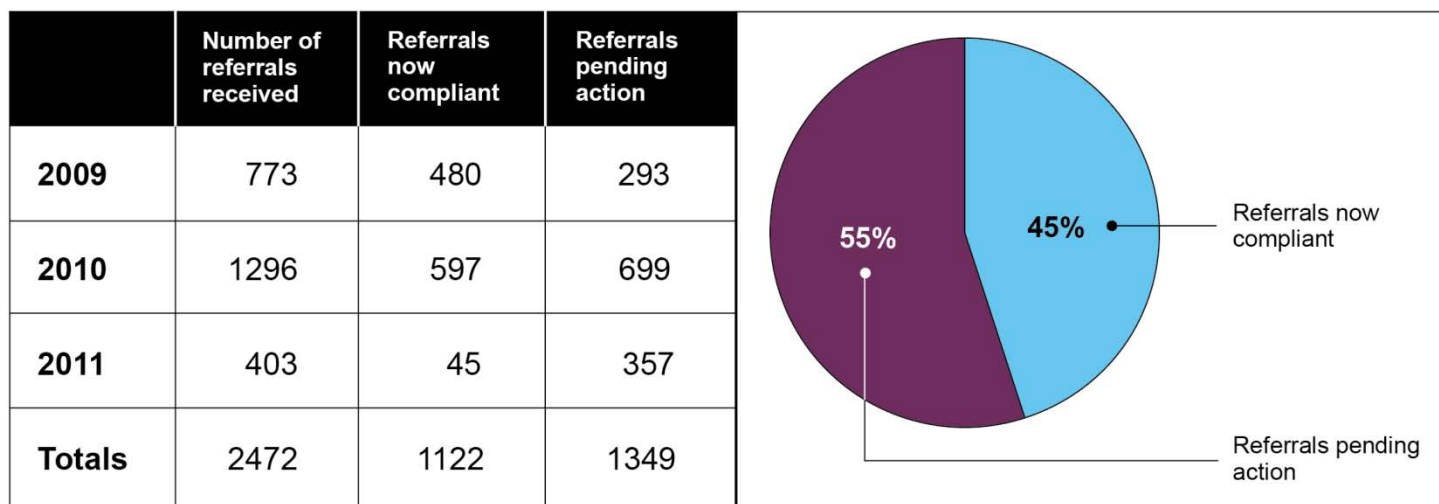
Reporting period	Number of referrals received	Number of noncompliance letters sent
2009	773	482
2010	1296	270
2011	403	0

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

Note: Data for 2009, and 2010 are as of February 25, 2013 and 2011 data are as of March 5, 2013.

As shown in figure 5, about 45 percent (1,122 of 2,472) of the lobbyists who were referred by the Secretary of the Senate and Clerk of the House for noncompliance for the 2009, 2010, and 2011 reporting periods are now considered in compliance because lobbyists either have filed their reports or have terminated their registrations. About 55 percent (1,349 of 2,472) of the referrals are pending action because the Office was unable to locate the lobbyist, did not receive a response from the lobbyist, or plans to conduct additional research to determine if it can locate the lobbyist.

Figure 5: Status of LDA Enforcement Actions for LD-203 Reporting



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

Note: Data for 2009, and 2010 are as of February 25, 2013 and 2011 data are as of March 5, 2013.

Many of the pending LD-203 referrals represent lobbyists who no longer lobby for the organizations affiliated with the referrals, even though these organizations may be listed on the original lobbyist registration. Office officials stated that they continue to experience challenges with increasing LD-203 compliance because the Office has little leverage to bring individual lobbyists into compliance. Office officials said that there have been complaints within the lobbying community regarding responsibility for responding to letters of noncompliance with LD-203 requirements. Although firms are not responsible for an individual lobbyist's failure to comply with the LD-203 disclosure requirement, nor are firms required to provide contact information for the noncompliant lobbyist, Office officials stated that many firms have assisted them by providing contact information for lobbyists, and only a few firms have not been willing to provide contact information for noncompliant lobbyists. Officials said they have often suggested to registrants to terminate or inactivate lobbyists from the client and firm registration when the lobbyists leave the firm. Many of the LD-203 referrals remain open in an attempt to locate individual lobbyists, and may take years to resolve.

Enforcement Settlement Actions

We previously reported that the Office developed a system to track lobbyists and lobbying firms that have a history of chronic noncompliance and have repeatedly been referred by the Senate and House for failing to file disclosure reports.²⁷ Officials reported that as a result of the tracking system and the actions of staff assigned to these cases, the Office has been able to identify more noncompliant lobbyists for civil enforcement action. In 2011, the Office settled its first enforcement case since the enactment of HLOGA in 2007, reaching a \$45,000 settlement with a lobbying firm.²⁸ The firm has fully complied with its outstanding and ongoing reporting requirements. HLOGA increased the penalties for offenses committed after January 1, 2008. As stated earlier, a civil case could lead to penalties up to \$200,000, while a criminal case—usually pursued if lobbyists' noncompliance is found to be knowing and corrupt—could lead to a maximum of 5 years in prison.

²⁷ [GAO-12-492](#).

²⁸ Since the enactment of the LDA in 1995, but before the 2008 implementation of HLOGA, the Office had settled with three lobbyists who failed to file and collected civil penalties totaling about \$47,000.

Officials reported that for the 2012 reporting period, the Office sent demand letters, made phone contacts or sent emails to eight registrants on the chronic offenders list. Demand letters list the number of times the registrant was referred by the Secretary of the Senate and Clerk of the House; describe the number of occasions that lobbying disclosure reports were not filed by the deadline; and request registrants to immediately file the outstanding reports and contact the Office within 10 days to resolve the matter. Four of the registrants filed the outstanding reports or terminated their registration after being contacted by an Assistant U.S. Attorney. Additionally, in September 2012, the Office reached settlement agreements with two of the registrants from the chronic offenders list. One firm agreed to pay \$50,000 and the other \$30,000 in civil penalties for repeatedly failing to file disclosure reports. As of March 2013, both firms have paid the fines in full and complied fully with their outstanding and ongoing reporting requirements. The Office sent demand letters to the remaining two registrants from the chronic offenders list on February 4, 2013. As of March 5, 2013, the two registrants have not responded to the demand letters. The Assistant U.S. Attorney is preparing a memorandum to request legal authority to pursue civil or criminal penalties against both registrants. Civil Division management will review this request and determine the appropriate action.

The Office continues to monitor and review the chronic offenders list to determine whether to continue enforcement actions, which includes considering legal actions or dismissing certain cases.

Agency Comments

We provided a draft of this report to the Attorney General for review and comment. The Assistant U.S. Attorney for the District of Columbia responded on behalf of the Attorney General that the Department of Justice had no comments.

We are sending copies of this report to the Attorney General, Secretary of the Senate, Clerk of the House of Representatives, and interested congressional committees and members. In addition, this report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-6806 or mihmj@gao.gov. 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.

A handwritten signature in black ink, reading "J. Christopher Mihm". The signature is fluid and cursive, with the first name "J." followed by "Christopher" and "Mihm".

J. Christopher Mihm
Managing Director, Strategic Issues

List of Committees

The Honorable Thomas R. Carper
Chairman
The Honorable Tom Coburn, M.D.
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Patrick J. Leahy
Chairman
The Honorable Charles E. Grassley
Ranking Member
Committee on the Judiciary
United States Senate

The Honorable Charles E. Schumer
Chairman
The Honorable Pat Roberts
Ranking Member
Committee on Rules and Administration
United States Senate

The Honorable Candice S. Miller
Chairman
The Honorable Robert A. Brady
Ranking Member
Committee on House Administration
House of Representatives

The Honorable Robert Goodlatte
Chairman
The Honorable John Conyers, Jr.
Ranking Member
Committee on the Judiciary
House of Representatives

The Honorable Darrell E. Issa
Chairman
The Honorable Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform
House of Representatives

Appendix I: Objectives, Scope, and Methodology

Consistent with the audit mandates in the Honest Leadership and Open Government Act (HLOGA), our objectives were to

- determine the extent to which lobbyists are able to demonstrate compliance with the Lobbying Disclosure Act of 1995 as amended (LDA) by providing documentation to support information contained on registrations and reports filed under the LDA;
- identify challenges and potential improvements to compliance, if any; and
- describe the resources and authorities available to the U.S. Attorney's Office for the District of Columbia (the Office) and the efforts the Office has made to improve enforcement of the LDA.

To respond to our mandate, we used information in the lobbying disclosure database maintained by the Clerk of the House of Representatives (Clerk of the House). 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 caused by the differences in data processing. For example, Senate staff told us during previous reviews that they set 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. House staff told us during previous reviews that they rely heavily on automated processing, and that while they manually review reports that do not perfectly match in formation file for a given registrant or client, they will approve and upload such reports as originally filed by each lobbyist even if the reports contain errors or discrepancies (such as a variant on how a name is spelled).

Nevertheless, we do not have reasons to believe that the content of the Senate and House systems would vary substantially. For this review, we determined that House disclosure data were sufficiently reliable for identifying a sample of quarterly disclosure (LD-2) reports and for assessing whether newly filed registrants also filed required reports. We used the House database for sampling LD-2 reports from the third and fourth quarters of calendar year 2011 and the first and second quarters of calendar year 2012, as well as for sampling year-end 2011 and midyear

2012 political contributions (LD-203) reports and finally for matching quarterly registrations with filed reports. 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 consulted with officials from each office, and they provided us with general background information at our request and detailed information on data processing procedures.

To assess the extent to which lobbyists could provide evidence of their compliance with reporting requirements, we examined a stratified random sample of 100 LD-2 reports from the third and fourth quarters of 2011 and the first and second quarters of 2012. We excluded reports with no lobbying activity or with income less than \$5,000 from our sampling frame.¹ We drew our sample from 49,286 activity reports filed for the third and fourth quarters of 2011 and the first and second quarters of 2012 available in the public House database, as of our final download date for each quarter. One LD-2 report in the sample was amended after the lobbyist was notified of being selected for the sample but prior to the review. As a result, we excluded this report from our sample and replaced it with another LD-2 report for the same quarter. Our sample was not designed to detect differences over time and we did not conduct tests of significance for changes from 2010 to 2012.

Our sample is based on a stratified random selection, and it is only one of a large number of samples that we may have drawn. 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 interval 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 10.5 percentage points or less 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 the maximum percentage of reports in the population exhibiting the characteristic.

¹ LD-2 activity reports with "no lobbying issue activity" and reports with less than \$5,000 in reported income or expenses are filtered out because they do not contain verifiable information on income, expenses, or activity.

We contacted all the lobbyists and lobbying firms 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 those lobbyists listed in the report,
- the houses of Congress and federal agencies that they lobbied, and
- the issue codes listed to describe their lobbying activity.

Prior to each interview, we conducted an open source search to identify lobbyists on each report who may have held a covered official position. We reviewed the lobbyists' previous work histories by searching lobbying firms' websites, LinkedIn, Leadership Directories, Who's Who in American Politics, Legistorm, and U.S. newspapers through Nexis. Prior to 2008, lobbyists were only required to disclose covered official positions held within 2 years of registering as a lobbyist for the client. HLOGA amended that time frame to require disclosure of positions held 20 years before the date the lobbyists first lobbied on behalf of the client. Lobbyist are required to disclose previously held covered official positions either on the client registration (LD-1) or on the first LD-2 report when the lobbyist is added as "new." Consequently, those who held covered official positions may have disclosed the information on the LD-1 or a LD-2 report filed prior to the report we examined as part of our random sample. Therefore, where we found evidence that a lobbyist previously held a covered official position, we conducted an additional review of the publicly available Secretary of the Senate or Clerk of the House database to determine whether the lobbyist properly disclosed the covered official position. Finally, if a lobbyist appeared to hold a covered position that was not disclosed, we asked for an explanation at the interview with the lobbying firm to ensure that our research was accurate. Despite our rigorous search, it is possible that we failed to identify all previously held covered official positions for all lobbyists listed. Thus, our estimate of the proportion of reports with lobbyists who failed to disclose properly covered official positions is a lower-bound estimate of the minimum proportion of reports that failed to report such positions.

In addition to examining the content of the LD-2 reports, we confirmed whether year-end 2011 or midyear 2012 LD-203 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 reports were appropriately filed for the population of firms or lobbyists listed on LD-2 reports.

To determine if the LDA's requirement for registrants to file a report in the quarter of registration was met for the third and fourth quarters of 2011 and the first and second quarters of 2012, we used data filed with the Clerk of the House to match newly filed registrations with corresponding disclosure reports. Using direct matching and text and pattern matching procedures, we were able to identify matching disclosure reports for 2,753, or 90 percent, of the 3,074 newly filed registrations. We began by standardizing client and registrant names in both the report and registration files (including removing punctuation and standardizing words and abbreviations, such as "company" and "CO"). We then matched reports and registrations using the House identification number (which is linked to a unique registrant-client pair), as well as the names of the registrant and client. For reports we could not match by identification number and standardized name, 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. For these cases, we used professional judgment to determine whether cases with typos were sufficiently similar to consider as matches. We could not readily identify matches in the report database for the remaining registrations using electronic means.

To assess the accuracy of the LD-203 reports, we analyzed stratified random samples of LD-203 reports from the 31,894 total LD-203 reports. The first sample contains 80 reports of the 10,948 reports with political contributions and the second contains 80 reports of the 20,946 reports listing no contributions. Each sample contains 40 reports from the year-end 2011 filing period and 40 reports from the midyear 2012 filing period. The samples from 2012 allow us to generalize estimates in this report to either the population of LD-203 reports with contributions or the reports without contributions to within a 95 percent confidence interval of plus or minus 8.6 percentage points or less, and to within 4.7 percentage points of estimate when analyzing both samples together. Our sample was not designed to detect differences over time and we did not conduct tests of significance for changes from 2010 to 2012. We analyzed the contents of the LD-203 reports and compared them to contribution data found in the publicly available Federal Elections Commission's (FEC) political contribution database. We 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 in the FEC database had been reported on an LD-203 report.

We compared the FEC-reportable contributions reporting on the LD-203 reports with information in the FEC database. The verification process required text and pattern matching procedures, and we used professional judgment when assessing whether an individual listed is the same individual filing an LD-203. For contributions reported in the FEC database and not on the LD-203 report, we asked the lobbyists or organizations to explain why the contribution was not listed on the LD-203 report or to provide documentation of those contributions. As with covered positions on LD-2 disclosure reports, we cannot be certain that our review identified all cases of FEC-reportable contributions that were inappropriately omitted from a lobbyist's LD-203 report. Our estimates of the percentage of reports that omit contributions is a lower-bound estimate. We did not estimate the percentage of other non-FEC political contributions that were omitted because they tend to constitute a small minority of all listed contributions and cannot be verified against an external source.

To identify challenges to compliance, we used structured interviews and obtained the views from 90 different lobbying firms included in our sample of 100 LD-2 reports rather than on the total number of interviews conducted, on any challenges to compliance. To obtain their views, we asked them to rate their ease with complying with the LD-2 disclosure requirements using a scale, of "very easy", "somewhat easy", "somewhat difficult" or "very difficult." In addition, using the same scale we asked them to rate the ease of understanding the terms associated with LD-2 reporting requirements.

To describe the resources and authorities available to the Office and its efforts to improve its enforcement of the LDA, we interviewed officials from the Office and obtained updated information on the capabilities of the system they established to track and report compliance trends and referrals, and other practices established to focus resources on enforcement of the Act. The Office provided us with updated reports from the tracking system on the number and status of referrals and chronically noncompliant offenders.

The mandate does not include identifying lobbyists who failed to register and report in accordance with LDA requirements, or whether for those lobbyists who did register and report all lobbying activity or contributions were disclosed.

We conducted this performance audit from June 2012 through April 2013 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

The random sample of lobbying disclosure reports we selected was based on unique combinations of registrant lobbyists and client names (see table 7).

Table 7: Names of Registrants and Clients Selected in Random Sample of Lobbying Disclosure Reports Filed in the Third and Fourth Quarters of 2011 and the First and Second Quarters of 2012

Registrant Name	Client
Aduston Consulting, LLC	Escape Media Group, Inc.
Aegon USA, LLC	Aegon USA, LLC
Aerospace Industries Association of America, Inc.	Aerospace Industries Association of America, Inc.
Akerman Senterfitt	Corinthian Colleges, Inc.
Albertine Enterprises, Inc.	Trinity Industries Inc. (Purchased/Formerly Quixote)
Alliance One	Empire District Electric Company
Arent Fox LLP	Lake Erie College of Osteopathic Medicine
Arnold & Porter LLP	Dutch Association of Insurers
Baker Donelson Bearman Caldwell & Berkowitz	Metro Gold Line Foothill Extension Construction Authority
Ball Janik LLP	Port of Hood River, Oregon
Barbara Zylinski	Qinetiq North America
Barbara Zylinski	Qinetiq North America
Bracy Tucker Brown & Valanzano, Inc.	Future of Music Coalition
California Hospital Association	California Hospital Association
Capitol City Group, Ltd.	Ameresco
Capitol Tax Partners LLP	Invesco Ltd.
Cassidy & Associates, Inc. (formerly known as Cassidy & Associates)	Afton Chemical, Inc.
Cassidy & Associates, Inc. (formerly known as Cassidy & Associates)	Elmira College
Cavarocchi Ruscio Dennis Associates, L.L.C.	Marshall University Research Corporation
Chad Bradley & Associates, L.L.C.	Portland Cement Association
Chambers, Conlon & Hartwell, LLC	Alaska Railroad
Chambers, Conlon & Hartwell, LLC	Southern California Regional Rail Authority
CIT Group Inc.	CIT Group Inc.
Clark Hill PLC	Van Andel Institute
Consumer Specialty Products Association	Consumer Specialty Products Association
Cornerstone Government Affairs, LLC	Cotton Growers Warehouse Association

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

Registrant Name	Client
Covington & Burling LLP	Credit Suisse
Covington & Burling LLP	Union Pacific Corporation
Delta Strategy Group (Formerly Parsons Strategies)	D.E. Shaw & Co., L.P.
Edington, Peel & Associates, Inc.	Gavi Alliance (formerly known as the Gavi Fund)
Environmental Working Group	Environmental Working Group
Ferguson Group	Buchanan County-MO
Fierce, Isakowitz & Blalock	Apria Healthcare
General Mills	General Mills
Hart Health Strategies	American College of Mohs Surgeons
Healthpartners, Inc.	Healthpartners, Inc.
Heather Podesta + Partners, LLC	Aramark
Hecht Spencer and Associates, Inc	3M Company
Hengen Group, LLC	Hyperion Technology Group, Inc.
Holland & Knight LLP	Hubbard Broadcasting
Holly Stevens	American Pacific Corp.
Hughes Hubbard & Reed	HBO Latin America Production Services
International Dairy Foods Association	International Dairy Foods Association
J.G. Ferguson & Associates, LLC	Innovative Solutions Group (ISG)
Jones, Walker, Waechter, Poitevent, Carrere & Denegre	Sasol North America, Inc.
K&L Gates LLP	Pitney Bowes
Kelley Drye & Warren LLP	Allegheny Technologies Inc.
Khalil G. Saliba	Northwestern Mutual Life Insurance
Locke Lord Strategies, LP	Financial Planning Coalition
McAllister & Quinn LLC	Intelligent Optical Solutions, Inc.
McBee Strategic Consulting, LLC	VantagePoint Management, Inc.
Mercury/Clark & Weinstock (formerly known as Mercury)	HP Enterprise Services
Mercury/Clark & Weinstock	Martin County Board of County Commissioners
Mitch Rose Strategic Consulting LLC	National Business Aviation Association, Inc.
ML Strategies, LLC	Suniva, Inc.
Molly Dye	Mueller Water Products, Inc.
Morrison Public Affairs Group	American Hospital Association
Museum of Science and Industry	Museum of Science and Industry
National Association of Chemical Distributors	National Association of Chemical Distributors

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

Registrant Name	Client
National Environmental Strategies	Cenovus Energy
National Environmental Strategies	Coalbed Methane Association of Alabama
National Fair Housing Alliance	National Fair Housing Alliance
National Group LLP	Rochester Institute of Technology
Nelson, Mullins, Riley & Scarborough	Pharmaceutical Industry Labor Management Association (PILMA)
Nixon Peabody LLP	Council for Affordable Housing and Rural Development
Nossaman LLP (formerly Nossaman LLP/O'Connor & Hannan)	M&T Bank
Ogilvy Government Relations	ACCUS
Ogilvy Government Relations	American Petroleum Institute
O'Neill and Associates	Avantair Inc.
Peck, Madigan, Jones & Stewart, Inc.	The Ickes & Enright Group, Inc. (on behalf of North Shore-LIJ Health System)
Petrizzo Bond, Inc	Seattle Cancer Care Alliance
Polk Consulting LLC	SunCoke Energy, Inc.
Polsinelli Shughart PC	Hearth, Patio & Barbecue Association
Portland Cement Association	Portland Cement Association
Prime Policy Group	Cummins Inc.
Science Applications International Corporation	Science Applications International Corporation
SNR Denton LLP	SMS Holdings Corporation
Solar Energy Industries Association	Solar Energy Industries Association
Strategic Health Care	HealthEast
Stuntz Davis & Staffier, P.C.	County of Los Angeles
Susan Carr & Associates	Innovative Federal Strategies, LLC
The Dow Chemical Company	The Dow Chemical Company
The Franklin Partnership	Cobham
The Glover Park Group LLC	Coca-Cola
The McManus Group	Pharmaceutical Research and Manufacturers of America
The Moffett Group, LLC	Caithness Energy
The Normandy Group, LLC	Becker College
The Walter Group	American Assoc. of People with Disabilities
The Washington Tax Group LLC	R&D Alternative Simplified Credit Coalition
Theodore (Ted) Jones	Advanced Computer and Communications, LLC
University of Pittsburgh Medical Center	University of Pittsburgh Medical Center

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

Registrant Name	Client
Van Scoyoc Associates	International Technological University
Van Scoyoc Associates	Mobile County Commission
Volvo Group North America, LLC	Volvo Group North America, LLC
Volvo Group North America, LLC	Volvo Group North America, LLC
Walker, Martin & Hatch, LLC	Pharmaceutical Research & Manufacturers of America
Washington Strategic Consulting	JFK Health System
Wexler & Walker Public Policy Associates	The Huntsville Hospital Foundation
Williams & Jensen, PLLC.	Abbott Laboratories
Williams & Jensen, PLLC.	Research Society on Alcoholism

Source: Lobbying disclosure database of the Clerk of the House of Representatives for the third and fourth quarters of calendar year 2011 and the first and second quarters of calendar year 2012.

Appendix III: List of Sampled Lobbying Contribution Reports with Contributions and No Contributions Listed

See table 8 for a list of lobbyists and lobbying firms from our random sample of lobbying contribution reports with contributions. See table 9 for a list of lobbyists and lobbying firms from our random sample of lobbying contribution reports without contributions.

Table 8: Lobbyists and Lobbying Firms in Random Sample of Lobbying Contribution Reports with Contributions Listed, Filed Year-end 2011 and Midyear 2012

Lobbyist or lobbying firm	Reporting period
Aaron Whitesel	Midyear 2012
Alexander Silbey	Midyear 2012
Alison Weiss	Midyear 2012
American Foreign Service Association	Midyear 2012
American Horse Council	Midyear 2012
American Hospital Assn.	Midyear 2012
Amy Roberti	Midyear 2012
Arshi Siddiqui	Midyear 2012
Barbara Benham	Midyear 2012
Barnes & Thornburg LLP	Year-end 2011
Bertram Carp	Year-end 2011
Brian Heindl	Year-end 2011
Brian Moran	Year-end 2011
Camille Fleenor	Year-end 2011
Charles Merin	Midyear 2012
Chevron U.S.A. Inc.	Year-end 2011
Christina Hamilton	Year-end 2011
Christopher Chwastyk	Midyear 2012
CML Consulting Services Inc.	Midyear 2012
Constantinople & Vallone Consulting LLC	Year-end 2011
David Colangelo	Year-end 2011
David Kozak	Year-end 2011
Florence Prioleau	Year-end 2011
Footwear Distributors & Retailers of America	Year-end 2011
Fred McDuff	Midyear 2012
Frederic Mills	Midyear 2012
Fredrick Palmer	Year-end 2011
Graham Shalgian	Year-end 2011
Grant Consulting Group	Midyear 2012

**Appendix III: List of Sampled Lobbying
Contribution Reports with Contributions and
No Contributions Listed**

Lobbyist or lobbying firm	Reporting period
Health Management Systems	Year-end 2011
International Federation of Professional and Technical Engineers (IFPTE)	Midyear 2012
Jack Ferguson	Midyear 2012
James Backlin	Year-end 2011
James Gigrich	Midyear 2012
James Meltsner	Year-end 2011
Jane Calderwood	Midyear 2012
Jay Rosenblum	Midyear 2012
Jeffrey Speaks	Midyear 2012
Jerry Straus	Midyear 2012
Joel Lisker	Year-end 2011
Johnson Controls, Inc	Midyear 2012
Jon Sender	Midyear 2012
Joseph Webster	Year-end 2011
Kurt Wimmer	Midyear 2012
Lauch Faircloth	Year-end 2011
Lawrence Duncan	Year-end 2011
Lindsey Ledwin	Midyear 2012
Louis Finkel	Midyear 2012
Marc Dibella	Year-end 2011
Matt Trant	Midyear 2012
Michael Brzica	Midyear 2012
National Grain and Feed Association	Midyear 2012
Newmont Mining Corporation	Year-end 2011
Nick Manetto	Midyear 2012
Paul Mica	Year-end 2011
Peter Loughlin	Year-end 2011
Peter Madigan	Year-end 2011
Pillsbury Winthrop Shaw Pittman LLP	Year-end 2011
Printing Industries of America, Inc.	Midyear 2012
Prudential Financial Inc.	Year-end 2011
R.D. Folsom	Year-end 2011
Randall West	Year-end 2011
Randolph Cloud	Midyear 2012
Rebecca Hyder	Year-end 2011
Richard Collins	Year-end 2011

**Appendix III: List of Sampled Lobbying
Contribution Reports with Contributions and
No Contributions Listed**

Lobbyist or lobbying firm	Reporting period
Robert Wrigley	Year-end 2011
Ron Carlton	Midyear 2012
Sandy Marks	Midyear 2012
Sean Bersell	Year-end 2011
Sean Kennedy	Year-end 2011
Sierra Club	Midyear 2012
Stacey Hughes	Midyear 2012
Stanley Rapp	Year-end 2011
Stephen Francis	Year-end 2011
Ted Monoson	Year-end 2011
Trans Union LLC	Midyear 2012
William Frymoyer	Midyear 2012
William McCann	Year-end 2011
William Signer	Year-end 2011
Wine and Spirits Wholesalers of America, Inc	Midyear 2012

Source: Lobbying contributions database of the Clerk of the House of Representatives, Year-end reports for calendar year 2011 and midyear reports for calendar year 2012.

**Table 9: Lobbyists and Lobbying Firms in Random Sample of Lobbying
Contribution Reports with No Contributions Listed, Filed Year-end 2011 and
Midyear 2012**

Lobbyist or lobbying firm	Reporting period
Advanced Strategies	Year-end 2011
Abigail Stork	Midyear 2012
Alan Ross	Midyear 2012
Amanda Kadilak	Year-end 2011
Andrew Borene	Year-end 2011
Ann Waldo	Year-end 2011
Anne Duffy	Midyear 2012
APSE: The Network on Employment	Year-end 2011
Augustine Tantillo	Year-end 2011
Bartlett Naylor	Year-end 2011
Brian Eury	Midyear 2012
Brian Meighan	Midyear 2012
Brian Smith	Year-end 2011
C. Edward Watson	Midyear 2012
Caroline Schellhas	Midyear 2012

**Appendix III: List of Sampled Lobbying
Contribution Reports with Contributions and
No Contributions Listed**

Lobbyist or lobbying firm	Reporting period
Catriona MacDonald	Midyear 2012
Christopher Van Atten	Year-end 2011
Christopher Woodside	Midyear 2012
Daniel McCarthy	Midyear 2012
Debra Cohn	Year-end 2011
Dion Spencer	Year-end 2011
Douglas Ralph	Year-end 2011
Elizabeth Varley	Year-end 2011
Food & Water Watch	Midyear 2012
Frank McGlynn	Year-end 2011
Fred Griesbach	Year-end 2011
Gene Lange	Year-end 2011
Grigsby Government Relations Associates, LLC	Year-end 2011
Grizzle Company	Midyear 2012
H. Miller	Midyear 2012
H. Lee Moffitt Cancer Center & Research Institute	Midyear 2012
Heidi Rudolph	Year-end 2011
Iowa Farm Bureau Federation	Year-end 2011
James Roewer	Midyear 2012
Jay Eizenstat	Year-end 2011
Jim Goldstein	Midyear 2012
Joe Panetta	Year-end 2011
John Kalavritinos	Midyear 2012
John Waters	Midyear 2012
Julia J. Norrell	Year-end 2011
Julie Hyams	Midyear 2012
K. Browder	Midyear 2012
Katharine Huffman	Midyear 2012
Katharine Kratovil	Midyear 2012
Katherine McGuire	Year-end 2011
Kathryn Dibitto	Midyear 2012
Kathryn Richardson Cannie	Midyear 2012
Kathy Van Kleeck	Midyear 2012
Keith Kupferschmid	Year-end 2011
Leann Fox	Midyear 2012
M. Arky	Year-end 2011
Marc Schurger	Year-end 2011

**Appendix III: List of Sampled Lobbying
Contribution Reports with Contributions and
No Contributions Listed**

Lobbyist or lobbying firm	Reporting period
Matthew Sturm	Year-end 2011
Megan Montgomery	Midyear 2012
Michael Hofkes	Midyear 2012
Michael Kans	Midyear 2012
Modular Building Institute	Year-end 2011
National Defense Industrial Assn. (NDIA)	Midyear 2012
National Safety Council	Midyear 2012
Nicole Carelli	Year-end 2011
Peter Lawrence	Year-end 2011
Portland State University	Year-end 2011
Reuben Smith-Vaughan	Year-end 2011
Ricardo Bernal	Midyear 2012
Robert Hilton	Year-end 2011
Robert Juliano	Year-end 2011
Shannon O'Keefe	Year-end 2011
Smits Speidell Consulting	Midyear 2012
Stephen Scofes	Midyear 2012
Strategic Partners, Inc.	Year-end 2011
Sutherland Asbill & Brennan LLP	Year-end 2011
Tara Hairston	Midyear 2012
Tavarski Hughes	Midyear 2012
The Fashion Institute of Design & Merchandising	Year-end 2011
The Tim Hugo Group	Midyear 2012
Thomas Bliley	Year-end 2011
Thomas Jeffers	Midyear 2012
URS Corporation	Midyear 2012
Vito Fossella	Year-end 2011
Whitney Gardiner	Midyear 2012

Source: Lobbying contributions database of the Clerk of the House of Representatives, Year-end reports for calendar year 2011 and midyear reports for calendar year 2012.

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

J. Christopher Mihm, (202) 512-6806 or mihmj@gao.gov.

Staff Acknowledgments

In addition to the contact named above, Bill Reinsberg, Assistant Director; Shirley Jones, Assistant General Counsel; Crystal Bernard, Amy Friedlander, Robert Gebhart, Lois Hanshaw, Stuart Kaufman, Natalie Maddox, and Anna Maria Ortiz made key contributions to this report.

Assisting with lobbyist file reviews were Vida Awumey, Peter Beck, Benjamin Crawford, Alexandra Edwards, Hayley Landes, Latesha Love, Alan Rozzi, Stacy Spence, Megan Taylor, Daniel Webb, Jason Wildhagen, and Weifei Zheng.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (<http://www.gao.gov>). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to <http://www.gao.gov> and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#). Subscribe to our [RSS Feeds](#) or [E-mail Updates](#). Listen to our [Podcasts](#). Visit GAO on the web at www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Website: <http://www.gao.gov/fraudnet/fraudnet.htm>

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Katherine Siggerud, Managing Director, siggerudk@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800 U.S. Government Accountability Office, 441 G Street NW, Room 7149 Washington, DC 20548

