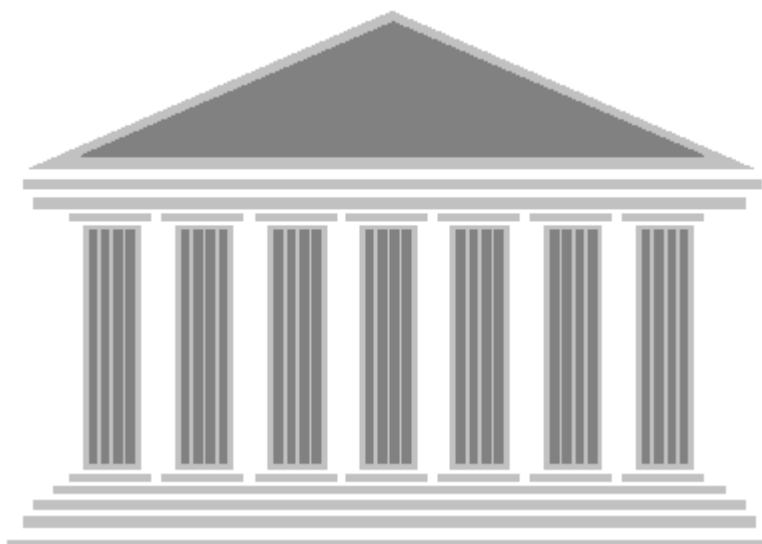


# JOINT LEGISLATIVE ETHICS COMMITTEE

## OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL



## 2007 LOBBYING HANDBOOK

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## ABOUT US

The Joint Legislative Ethics Committee (**JLEC**) was created by statute in 1994. The JLEC is a bi-partisan, bicameral Legislative Committee comprised of six members from the House of Representatives and six members of the Senate, six Republicans and six Democrats. The Speaker of the House and the President of the Senate appoint members. The Committee also appoints an Executive Director to serve as the Legislative Inspector General.

The Office of the Legislative Inspector General (**OLIG**) is the administrative arm of the Committee. The OLIG implements the Joint Legislative Code of Ethics, adopted each session by the General Assembly, Chapter 102 of the Ohio Revised Code, the Ohio Lobbying Laws found in Ohio Revised Code § 101.70 to §101.79, §121.60 to §121.69 and §101.90 to §101.99, and Chapter 101 of the Ohio Administrative Code. In carrying out these duties the Office performs five primary functions:

- Advice
- Data Collection
- Investigations
- Education
- Regulation

## ADVICE

The OLIG ADVISES/ SUPPORTS MEMBERS OF THE GENERAL ASSEMBLY on matters pertaining to conflicts of interest, improper use of office, lobbying and general ethics standards.

The OLIG also provides support and advice on Post-Employment Disclosure and Revolving-Door Issues for Members of the General Assembly, and staff of the General Assembly, who leave public office or employment and join the private sector.

## DATA COLLECTION

The OLIG acts as a clearing house for:

- All Financial Disclosure Statements for Members of the General Assembly, legislative staff, candidates and other filers. (*Filed each year*)

TOTAL NUMBER OF MEMBER AND STAFF FILERS IN 2007: **170**

- All Initial Registration and Updated Registration Statements from the Lobbying Community – *Initial Registrations are filed upon commencement of Lobbying activity. Updated Registration Statements are filed 3 times a year ( see below)*

IN THE 2005-2006 Session of the 126<sup>th</sup> General Assembly there were:

• LEGISLATIVE ENGAGEMENTS	3119
• LEGISLATIVE AGENTS	1401
• EMPLOYERS OF LA's	1334
• EXECUTIVE ENGAGEMENTS	2471
• EXECUTIVE AGENCY LOBBYISTS	942
• EMPLOYERS OF EAL's	1096
• RETIREMENT ENGAGEMENTS	168
• RETIREMENT SYSTEM LOBBYISTS	155
• EMPLOYERS OF RSL's	77

- All forms for Post-Employment Disclosure by former Members and policy level staff of the General Assembly and Executive Branch officials and policy level staff.

As of March 31, 2007, the OLIG had received 398 initial Post-Employment Disclosures. Each filing with the OLIG is imaged and made available on the Internet at [www.jlec-olig.state.oh.us](http://www.jlec-olig.state.oh.us).

## INVESTIGATION

- INVESTIGATION – In 2006 the OLIG conducted 4 formal registration inquiries, and 15 preliminary investigative inquiries concerning alleged violations of matters within its jurisdiction.

## EDUCATION

- NEWSLETTER
- INTERNET SITE
- SEMINARS
- HANDBOOK
- PUBLICATIONS
- TELEPHONE INQUIRIES
- E-MAIL INQUIRIES

## REGULATION

REFERRAL to the Attorney General's office for violations of § 101.70 to §101.79, §121.60 to §121.69 and §101.90 to §101.99 of the Ohio Revised Code

## GENERAL INFORMATION – LOBBYING

### **DEFINITION OF LOBBYIST**

In the broadest sense of the term, "to lobby" is to attempt to influence a lawmaker, executive agency or retirement system decision-maker. A constituent's voluntary opinion regarding a measure under consideration by his or her elected representative can be considered "lobbying." However, such ordinary activities of citizens who exercise their constitutional right to petition the government or individual members of the government on any matter are separate and distinct from "professional" lobbying, so long as such activities are exclusively the exercise of individual liberty.

There are three types of lobbyists in the State of Ohio:

- ◆ Legislative Agent;
- ◆ Executive Agency Lobbyist; and
- ◆ Retirement System Lobbyist.

A professional lobbyist is a person who receives compensation for his or her efforts to influence legislators, executive agency or retirement system decision makers on behalf of a client or employer. This is a guide for the professional lobbyist.

**The lobbying laws of the state of Ohio only apply to attempts to influence at the *state* level; the law does not apply to activities involving attempts to influence the decisions of county or municipal officials. Municipalities governed by an adopted charter may have local ordinances requiring the registration and reporting of lobbyist activities at the municipal level. Individuals wishing to engage in lobbying activities at the local or municipal level should check with the jurisdiction in question for applicable regulations, as well as with the Ohio Ethics Commission on expenditure limitations for public officials at the local or municipal level.**

**WHO IS A LEGISLATIVE AGENT?** See <http://codes.ohio.gov/orc/101.70>

An individual who is **engaged** during at least a portion of his time to **actively advocate** as one of his main purposes. (A Legislative Agent is not employed by, nor a member of, the general assembly, the governor, lieutenant governor, attorney general, secretary of state, treasurer of state or auditor of state).

**Engaged** means to make any arrangement whereby an individual is employed or retained for **compensation** to act for or on behalf of an **employer** to actively advocate.

**Compensation** means a salary, gift, payment, benefit, subscription, loan, advance, reimbursement, or deposit of money or anything of value; or a contract, promise, or agreement, whether or not legally enforceable, to make compensation.

**Employer** means any person who, directly or indirectly, engages a legislative agent.

**Actively advocate** means to promote, advocate, or oppose the passage, modification, defeat, or executive approval or veto of any *legislation* by direct communication with:

- ◆ any member of the general assembly;
- ◆ any member of the controlling board;
- ◆ the governor;
- ◆ the director of any department listed in §121.02 of the Ohio Revised Code <http://codes.ohio.gov/orc/121.02>; or
- ◆ any member of the staff of any public officer or employee listed in this division.

**Actively advocate" does not include the action of any person not engaged by an employer who has a direct interest in legislation if the person, acting under Section 3 of Article I, Ohio Constitution, assembles together with other persons to consult for their common good, instructs a public officer or employee who is listed in this division, or petitions that public officer or employee for the redress of grievances.**

**Legislation** means bills, resolutions, amendments, nominations, and any other matter pending before the general assembly, any matter pending before the controlling board, or the executive approval or veto of any bill acted upon by the general assembly.

GRASS ROOTS ACTIVITY AND PRIVATE INDIVIDUALS WHO ARE NOT BEING PAID BY SOMEONE ELSE TO CONTACT MEMBERS OF THE GENERAL ASSEMBLY DO NOT MEET THE DEFINITION OF A LEGISLATIVE AGENT AND THEREFORE ARE NOT SUBJECT TO THE REQUIREMENTS AND PROHIBITIONS FOUND IN O.R.C. §101.70 - §101.79.

**WHO IS AN EXECUTIVE AGENCY LOBBYIST?** See <http://codes.ohio.gov/orc/121.60>

"Executive agency lobbyist" means any person **engaged** to influence **executive agency decisions** or to conduct **executive agency lobbying activity** as one of his main purposes on a regular and substantial basis.

"Executive agency lobbyist" **does not include** an elected or appointed officer or employee of a federal or state agency, state college, state university, or political subdivision who attempts to influence or affect executive agency decisions in his fiduciary capacity as a representative of his agency, college, university, or political subdivision.

**Engaged** means to make any arrangement and "engagement" means any arrangement, whereby an individual is employed or retained for **compensation** to act for or on behalf of an **employer** to actively advocate.

**Compensation** means a salary, gift, payment, benefit, subscription, loan, advance, reimbursement, or deposit of money or anything of value; or a contract, promise, or agreement, whether or not legally enforceable, to make compensation.

**Employer** means any person who, directly or indirectly, engages an executive agency lobbyist.

**Executive agency decision** means:

- ◆ a decision of an executive agency regarding the expenditure of funds of the state; or
- ◆ a decision of an executive agency with respect to the award of a contract, grant, lease, or other financial arrangement under which such funds are distributed or allocated; or
- ◆ a regulatory decision of an executive agency or any board or commission of the state.

**Executive agency decision does not include** either of the following:

1. **A purchasing decision for which a vendor has filed a statement certifying that he has not made campaign contributions in an amount such that §3517.13 of the Ohio Revised Code (<http://codes.ohio.gov/orc/3517.13>) would invalidate the decision, if that vendor has not engaged an executive agency lobbyist.**
2. **The award of a competitively bid contract for which bid specifications were prepared and for which at least three eligible competitive bids were received by the executive agency.**

"Executive agency lobbying activity" means contacts made to promote, oppose, or otherwise influence the outcome of an executive agency decision by direct communication with an elected

executive official, the director of any department listed in §121.02 of the Ohio Revised Code <http://codes.ohio.gov/orc/121.60>, any executive agency official, or a member of the staff of any public officer or employee listed in this division.

**Executive agency lobbying activity does not include any of the following:**

- 1. The action of any person having a direct interest in executive agency decisions who, under Section 3 of Article I, Ohio Constitution, assembles together with other persons to consult for their common good, instructs an elected executive official, the director of any department listed in §121.02 of the Ohio Revised Code, any executive agency official, or a member of the staff of any public officer or employee, or petitions such a person for the redress of grievances**
- 2. Contacts made for the sole purpose of gathering information contained in a public record.**
- 3. Appearances before an executive agency to give testimony.**

"**Executive agency official**" means an officer or employee of an executive agency whose principal duties are to formulate policy or to participate directly or indirectly in the preparation, review, or award of contracts, grants, leases, or other financial arrangements with an executive agency.

"**Elected executive official**" means the governor, lieutenant governor, secretary of state, auditor of state, treasurer of state, and the attorney general.

**DETERMINING WHETHER YOU ARE ACTING AS A LEGISLATIVE AGENT OR AN EXECUTIVE AGENCY LOBBYIST DEPENDS ON THE SUBJECT MATTER BEING DISCUSSED AND NOT THE PARTIES TO THE DISCUSSION.**

**FOR EXAMPLE, AN INDIVIDUAL COMMUNICATING WITH THE DIRECTOR OF A STATE AGENCY CONCERNING THE MODIFICATION OF LEGISLATION IS ENGAGING IN LEGISLATIVE LOBBYING, REGARDLESS OF THE DIRECTOR'S STATUS AS AN EXECUTIVE AGENCY OFFICIAL.**

**WHO IS A RETIREMENT SYSTEM LOBBYIST?** See <http://codes.ohio.gov/orc/101.90>

Retirement system lobbyist means any person *engaged* to influence *retirement system decisions* or to conduct *retirement system lobbying activity* as one of the person's main purposes on a regular and substantial basis.

Retirement system lobbyist does not include an elected or appointed officer or employee of a federal or state agency, or political subdivision who attempts to influence or affect retirement system decisions in a fiduciary capacity as a representative of the officer's or employee's agency or political subdivision.

**Engaged** means to make any arrangement whereby an individual is employed or retained for *compensation* to act for or on behalf of an *employer* to actively advocate.

**Compensation** means a salary, gift, payment, benefit, subscription, loan, advance, reimbursement, or deposit of money or anything of value; or a contract, promise, or agreement, whether or not legally enforceable, to make compensation.

**Employer** means any person who, directly or indirectly, engages a retirement system lobbyist.

**Retirement System Decisions** means a decision of a retirement system regarding the investment of retirement system funds. **Retirement system decision also includes the decision by a board of a retirement system to award a contract to an agent or an investment manager**

**Retirement system lobbying activity** means contacts made to promote, oppose, reward, or otherwise influence the outcome of a **retirement system decision** by direct communication with a member of a board of a state retirement system, a state retirement system investment official, or an employee of a state retirement system whose position involves substantial and material exercise of discretion in the investment of retirement system funds.

**Retirement System Lobbying activity does not include any of the following:**

1. The action of any person having a direct interest in retirement system decisions who, under Section 3 of Article I, Ohio Constitution, assembles together with other persons to consult for their common good, instructs a member of a board of a state retirement system, a state retirement system investment official, or an employee of a state retirement system whose position involves substantial and material exercise of discretion in the investment of retirement system funds, or petitions such a person for the redress of grievances;
2. Contacts made for the sole purpose of gathering information contained in a public record;
3. Appearances before a retirement system to give testimony.

## FORMS

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### INITIAL REGISTRATION STATEMENTS

Among the most common inquiries directed to our office concerns registration. Once it has been established that an individual is being compensated for the purposes of active advocacy, the next question concerns the level of advocacy that triggers registration.

Registration of engagements should be based on the following guidelines:

- ◆ **Legislative Lobbying** – when an individual’s direct communication with any member of the General Assembly, any member of the Controlling Board, the governor, the director of any department, or any member of the staff of any public officer or employee for legislative lobbying purposes constitutes *at least five percent of the total performance time* for which the individual is compensated by that specific employer.
- ◆ **Executive Agency Lobbying** – when an individual’s direct communication with executive officials or employees for the purposes of executive agency lobbying constitutes *at least twenty-five percent of the total performance time* for which the individual is compensated by that specific employer.
- ◆ **Retirement System Lobbying** – when an individual’s direct communication with retirement system officials or employees for the purposes of influencing retirement system investment decisions constitutes *at least twenty-five percent of the total performance time* for which the individual is compensated by that specific employer.

All legislative agents, executive agency lobbyists and retirement system lobbyists and their respective employers must file an initial registration statement *within ten days of the lobbyist beginning lobbying activity*. (See <http://codes.ohio.gov/orc/101.72>; <http://codes.ohio.gov/orc/121.62>; <http://codes.ohio.gov/orc/101.92> ).

**Initial registration statements filed outside this ten day period may be subject to a registration inquiry from the Office of the Legislative Inspector General and could result in referral of the matter to the Attorney General’s office, for an investigation into unregistered lobbying activity or the knowing failure to file an initial registration statement.**

It is a goal of the OLIG to work with you to meet the statutory requirements while being reasonable in our review of compliance. If it appears that the ten-day deadline will not be met, please contact the OLIG. However, it is neither appropriate nor feasible for the

OLIG to assist in securing initial registration statements from potential employers. It is the responsibility of the agent or lobbyist to coordinate with his or her client to secure the necessary signatures to file the initial registration statement, and filing fee, with the Office of the Legislative Inspector General within the ten-day period.

All registrations are to be filed with the OLIG. A registration fee of twenty-five dollars (\$25) is charged for *each* initial registration statement. Statements are available from the JLEC website at [www.jlec-olig.state.oh.us](http://www.jlec-olig.state.oh.us) under the link [Blank Lobbying Forms](#).

- ◆ Legislative agent registrations are valid until the next thirty-first day of December of an even-numbered year;
- ◆ Executive agency and retirement system lobbyist registrations are valid until January 31 of the year following the year in which the initial registration was filed.

**FOR SPECIFIC INFORMATION ON COMPLETING THE INITIAL REGISTRATION STATEMENT, PLEASE SELECT THE APPROPRIATE REGISTRATION AT [www.jlec-olig.state.oh.us](http://www.jlec-olig.state.oh.us) . then select: “Initial Registration Instructions” below the Lobbyist Information heading.**

Executive Agency Lobbyist/Employer Initial Registration Statement

Legislative Agent/Employer Initial Registration Statement

Retirement System Lobbyist/Employer Initial Registration Statement

## UPDATED REGISTRATION STATEMENTS

All legislative agents, executive agency lobbyists and retirement system lobbyists **and** their respective employers must file updated registration statements *three times a year*. (See <http://codes.ohio.gov/orc/101.72>; <http://codes.ohio.gov/orc/121.62>; <http://codes.ohio.gov/orc/101.92>).

**\*\*\* A lobbyist who has more than one employer need only file one updated registration statement which includes all employers, with a separate expenditure grid for each employer.**

**\*\*\* However, a lobbyist who is engaged in more than one category of lobbying (legislative, executive, or retirement system), must file a separate updated registration statement for each category.**

An updated registration statement, while different in format for lobbyists and employers, has four types of basic information that must be disclosed:

1. Confirmation of the continuing existence of each engagement described in an Initial Registration Statement;
2. A list of the specific bill(s) or resolution(s), executive agency decision(s) or retirement system decision(s) that the lobbyist sought to influence under the engagement during the period covered by the Updated Registration Statement;
3. A statement of expenditures; and
4. Details of any financial transactions.

### **1. Confirmation of Engagement**

Any changes to the lobbying engagement should be reported in this section. Changes should be reported on either the lobbyist's update or the employer's update as appropriate. Examples of information that would be disclosed in this section include:

- ◆ Address or name change of either the lobbyist or the employer;
- ◆ Change in contact person for the employer;
- ◆ Whether the statement amends a previous filing or not; and
- ◆ If the engagement was terminated during the reporting period in question.

### **2. Additional bills, resolutions or executive agency /retirement system decisions**

If there were different types of legislation or decisions advocated on, or if additional agencies or boards were influenced, that were not previously disclosed on the initial registration statement, it would be disclosed on the updated registration statement.

\*\*\* For example: An Executive Agency Lobbyist indicated that she would be lobbying the Governor's office and the Department of Development on her initial registration statement regarding economic development issues and rules related to the awarding of development grants, but also lobbied the Department of Transportation regarding proposed changes to the equipment rates for mileage reimbursement. This new lobbying effort should be disclosed under the additional types of bills, resolutions, or executive agency decisions section of the update.

3. **Statement of Expenditures** See (<http://codes.ohio.gov/orc/101.73>; <http://codes.ohio.gov/orc/121.63>; <http://codes.ohio.gov/orc/101.93>)

**As is noted in the expenditure grid on page 17, only those expenditures made for the benefit of a Financial Disclosure Statement filer are reportable to JLEC.**

*For a list of Legislative branch financial disclosure statement filers, please see the "Financial Disclosure Statement Filers" link at [www.jlec-olig.state.oh.us](http://www.jlec-olig.state.oh.us). For executive agency and retirement system financial disclosure statement filers, please contact the Ohio Ethics Commission at 614-466-7090.*

#### **WHAT IS AN EXPENDITURE?**

Expenditure means any of the following:

- 1) A payment, distribution, loan, advance, deposit, reimbursement, or gift of money, real estate, or anything of value, including, but not limited to, food and beverages, entertainment, lodging, or transportation;
- 2) A contract, promise, or agreement to make an expenditure, whether or not legally enforceable;
- 3) The purchase, sale, or gift of services or any other thing of value.

#### **WHAT IS NOT A REPORTABLE EXPENDITURE?**

"Expenditure" does not include:

- 1) A contribution, gift, or grant to a foundation or other charitable organization that is exempt from federal income taxation under subsection 501(c)(3) of the Internal Revenue Code;
- 2) The purchase, sale, or gift of services or any other thing of value that is available to the general public on the same terms as it is available to the persons listed in this division;
- 3) An offer or sale of securities to any person listed in this division that is governed by regulation D, 17 C.F.R. 2301.501 [2301.50.1] to 2301.508 [2301.50.8], adopted under the authority of the "Securities Act of 1933," 48 Stat. 74, 15 U.S.C.A. and following, or that is governed by a comparable provision under state law;
- 4) Any publication of a trade, industry, government, or professional association; or
- 5) Any thing of value where the value of such item **does not exceed twenty-five dollars**, excluding meals and other food and beverages. See (<http://codes.ohio.gov/oac/101-9and> <http://codes.ohio.gov/oac/101-11>).

## **Determining Value**

The question often arises, how do you determine the value of an expenditure? It depends:

- A. Normally, **the value of an item is your actual cost of the item**. For example, if you purchase a fruit basket for \$35 and give the basket to a legislator, the expenditure you must report is \$35 even though the fruit may only be worth \$10. Simply, what you pay for something is the value of the expenditure.
- B. It is also important to note **you may not separate items within a single gift**.

**Example A:** you purchase a \$50 ticket to a charity ball and give that ticket to a legislator. A portion of the ticket cost is contributed to a charity and the holder of a ticket is entitled to entrance to the gala, dinner, and a small complimentary gift. You may not divide the \$50 into separate expenditures for the donation, dinner, and gift. You have given the legislator a ticket that entitles the legislator to enter the gala; therefore, you have made a \$50 expenditure to the legislator and that \$50 must be reported in the gift section. [*Please see JLEC Advisory Opinion 00-002 concerning charitable fundraisers*]

**Example B:** you pay for a round of golf for a staff member. You pay \$35; \$25 for the greens fees and \$10 for the golf cart rental. You may not separate these two expenditures; your gift is a round of golf that includes the fees and cart for a total expenditure of \$35.

- C. Determining the value where you do not actually make a direct expenditure is more difficult.

**Example A:** where you allow a recipient to enter a function or participate in an event without charge, and all other participants have paid some type of admission, the value of your expenditure is the amount of the fee or charge that all of the other participants have paid. In situations where there is no fee or charge to other persons, you are required to make a good faith estimate of the value of the expenditure.

**Note that where an event is open to the general public, i.e. participation is not limited to membership or invitation, and there is no cost or fee charged to participate, there is no reportable gift, in that a public official or staff person receives no personal value.**

**Example B:** where you provide a discount to a recipient(s), based solely on their status as a public official or government employee, and that same discount is not available to the general public, or similarly situated groups, the difference in the cost to everyone else participating in the event and the amount charged to the recipient(s) is the value of the gift.

## Multiple Givers

If you make an expenditure in conjunction with other persons, you are only required to report your proportionate share, *however the total value may not be divided to prevent triggering the reporting requirement.*

Example: If you and two other agents, or their employers, pay for a round of golf for a staff member, the entire cost of the round (green fees and cart) valued at \$72, exceeds \$25 and therefore must be reported in Section A of the grid. Even though you must disclose the gift in Section A; you are only required to report your proportionate share. For example, your share of the round of golf was \$24.00. You must report the date, the recipient's name, legislation or decision discussed (if any), and \$24.00 in Section A of your updated registration statement.

## Public Official and Staff Disclosure Requirements for Gifts

Every person required to file a financial disclosure statement pursuant to O.R.C. §102.02 (<http://codes.ohio.gov/orc/102.02>), is required to disclose on their respective annual statement the source of each gift or gifts where the value of the gift or gifts, aggregated per calendar year, exceeds \$75, except for certain persons related to the person by blood or marriage. Additionally, all filers must disclose the name of any lobbyist from whom they have accepted more than \$25.00 in gifts [aggregate value] in a calendar year.

Please be advised that public officials and employees may be subject to specific prohibitions concerning the public official or employee's ability to accept things of value. For example, no member or employee of the General Assembly may accept more than \$75.00 in gifts [aggregate value] in a calendar year from any one legislative agent. For information concerning Executive branch officials and employees, please contact the Ohio Ethics Commission at 614-466-7090.

## **EXPENDITURE REPORTING**

Only those expenditures made for the benefit of or on behalf of a Financial Disclosure Statement Filer are reportable to JLEC. Expenditures made for the benefit or, or on behalf of a Non-Financial Disclosure Statement Filer are not reportable on updated registration statements. **Any compliance issues regarding the acceptance of expenditures by Non-Financial Disclosure Statement Filers are the responsibility of that individual.**

**ANYTIME A LOBBYIST OR EMPLOYER DISCLOSES THE NAME OF AN EXPENDITURE RECIPIENT ON AN UPDATED REGISTRATION STATEMENT, THE PERSON BEING DISCLOSED MUST RECEIVE A WRITTEN COPY OF THE STATEMENT AT LEAST 10 DAYS PRIOR TO THE DATE THE UPDATED REGISTRATION STATEMENT IS FILED WITH THE JLEC. – See (<http://codes.ohio.gov/orc/101.75>, <http://codes.ohio.gov/orc/121.65>, <http://codes.ohio.gov/orc/101.95> ).**

When reporting expenditures, lobbyists and employers may refer to the grid on the following page for guidelines:

	Lobbyist	Employer of Lobbyist
<b>Gifts</b>	<b>ALL GIFTS ARE REPORTABLE EXCEPT:</b> a. Publications of Employer b. Gifts under \$25.00 c. Campaign Contributions	<b>ALL GIFTS ARE REPORTABLE EXCEPT:</b> a. Publications of Employer b. Gifts under \$25.00 c. Campaign Contributions
	<b>CASH GIFTS, THEIR EQUIVALENT AND GIFTS OVER \$75.00 ARE PROHIBITED</b>	<b>CASH GIFTS AND THEIR EQUIVALENT ARE PROHIBITED</b>
<b>Food and Beverage</b> All Expenses are Reportable	Expenses requiring itemization: any expenditures made on meals and beverages not meeting one of the below described scenarios must be itemized showing the date of the expenditure, the recipient, a description of the expenditure, a description of legislation pertaining to the expenditure and the dollar amount.	Expenses requiring itemization: any expenditures made on meals and beverages not meeting one of the below described scenarios must be itemized showing the date of the expenditure, the recipient, a description of the expenditure, a description of legislation pertaining to the expenditure and the dollar amount.
	Expenses Not requiring Itemization: a. All-invited Functions Report from \$1 under Section C b. Meals <\$50 per Member aggregated in a calendar year; c. Meals where Member is part of panel, speaking engagement or seminar; and Meals provided at meeting or convention of National Organization are reportable under Section D.	Expenses Not requiring Itemization: a. All-invited Functions Report from \$1 under Section C b. Meals provided at meeting or convention of National Organization are reportable under Section D.
<b>HONORARIA</b>	<b>HONORARIA ARE PROHIBITED</b>	<b>HONORARIA ARE PROHIBITED</b>
<b>TRAVEL</b>	<b>ALL TRAVEL EXPENSES PROHIBITED EXCEPT:</b> a. actual expenses in connection with travel to meeting where Member or employee participates in a panel, seminar, or speaking engagement; b. actual expenses provided to Member or employee at meeting or conference of National Organization where dues are paid. c. Travel in an automobile of no more than 50 miles one way. <b>ANY TRAVEL MEETING ONE OF THE ABOVE EXCEPTIONS SHOULD BE REPORTED AS A GIFT UNDER SECTION A</b>	<b>ALL TRAVEL EXPENSES ARE REPORTABLE</b>  <b>REPORT AS A GIFT UNDER SECTION A</b>

For guidance on expenditures to Executive Agency Officials see: <http://www.jlec-olig.state.oh.us/files/execorders.htm>.

#### 4. FINANCIAL TRANSACTIONS

See (<http://codes.ohio.gov/orc/101.74>, <http://codes.ohio.gov/orc/121.64>, <http://codes.ohio.gov/orc/101.94>).

Also included in the Updated Registration Statement is a ***Financial Transaction Statement***.

*Financial transaction* means: a transaction or activity that is conducted or undertaken for profit and arises from the joint ownership or the ownership or part ownership in common of any real or personal property or any commercial or business enterprise of whatever form or nature between the following:

- (1) A lobbyist, his employer, or a member of the ***immediate family*** of the lobbyist or his employer; and
- (2) A member of the General Assembly, an elected executive official, the director of a department created under section 121.02 of the Ohio Revised Code, an executive agency official, or a member of the staff of such public officer or employee, or a member of a board of a state retirement system, a state retirement system investment official, or an employee of a state retirement system whose position involves a substantial and material exercise of discretion in the investment of retirement system funds

***Immediate family*** means a spouse residing in the person's household and any dependent child.

"Financial transaction" does not include:

- ◆ any transaction or activity if it is available to the general public on the same terms,
- ◆ or if it is an offer or sale of securities to a member of the General Assembly, an elected executive official, the director of a department created under section 121.02 of the Ohio Revised Code, an executive agency official, or a member of the staff of such public officer or employee that is governed by regulation D, 17 C.F.R. 2301.501 [2301.50.1] to 2301.508 [2301.50.8], adopted under the authority of the "Securities Act of 1933," 48 Stat. 74, 15 U.S.C.A. and following, or that is governed by a comparable provision under state law.

Any lobbyist or employer who has had any financial transaction with or for the benefit of a member of the General Assembly, an elected executive official, the director of a department created under section 121.02 of the Ohio Revised Code, an executive agency official, a member of a board of a state retirement system, a state retirement system investment official, or an employee of a state retirement system whose position involves substantial and material exercise of discretion in the investment of retirement system funds, or a member of the staff of such public officer or employee shall describe the details of the transaction. Each transaction listed must include:

1. The name of the public officer or employee;
2. The purpose and nature of the transaction; and
3. The date it was made or entered into.

If a Financial Transaction has taken place during the reporting period in question, a copy of the Updated Registration Statement showing disclosure of the transaction must be provided to the public official or staff person *within 10 days* of the statement being filed with JLEC.

## **DISPUTED INFORMATION**

– See (<http://codes.ohio.gov/orc/101.75>, <http://codes.ohio.gov/orc/121.65>, <http://codes.ohio.gov/orc/101.95> ).

If, after notifying the recipient of an expenditure that the expenditure will be reported on a lobbyist's or employer's updated registration statement, the recipient and the lobbyist, or the employer, who made the expenditure cannot agree on the actual amount of the expenditure, the recipient, the employer, or the lobbyist may file a complaint with the Joint Legislative Ethics Committee. The Committee shall proceed to investigate the complaint.

The complaint shall be filed **at least three days prior** to the time the statement is filed with the Joint Legislative Ethics Committee. The time for filing a disputed expenditure or financial transaction in any statement of expenditures or the details of a financial transaction shall be extended pending the final decision of the Joint Committee. This extension does not extend the time for filing the non-disputed portions of an expenditure statement or of the details of a financial transaction. The Joint Committee shall notify the parties of its final decision by certified mail. If the committee decides that the disputed expenditure or financial transaction should be reported, the employer or lobbyist shall include the matter in an amended statement and file the amended statement not later than ten days after the employer or agent receives notice of the decision of the committee by certified mail.

## **RECORD KEEPING**

See (<http://codes.ohio.gov/orc/101.75>, <http://codes.ohio.gov/orc/121.65>, <http://codes.ohio.gov/orc/101.95> ).

All lobbyists and their employers are required to keep records of all expenditures that are required to be reported on an updated registration statement until December 31 of the second year after the year the expenditure was made.

### **Example 1:**

A lobbyist takes a member of the General Assembly and the member's staff person to lunch on February 2, 2007. The expenditure is reported on the January – April 2007 updated registration statement. Receipts of the expenditure, or other record maintained by the lobbyist, must be kept until December 31, 2009.

### **Example 2:**

An employer hosts an all-invited function at the statehouse on August 15, 2007. The expenditure is reported on the May – August 2007 updated registration statement. Receipts of the expenditures for the event, or other record maintained by the employer, must be kept until December 31, 2009.

## **ACCESSING FORMS**

Beginning with the last day of each reporting period, Updated Registration Statements are available on the JLEC website for downloading and completion. Those wishing to receive an email notification of statement availability and filing deadlines should send an email request to [info@jlec-olig.state.oh.us](mailto:info@jlec-olig.state.oh.us). Email reminders will be sent once the forms become available.

To access your updated registration statements go to [www.jlec-olig.state.oh.us](http://www.jlec-olig.state.oh.us) and click the link Print my Statements in the upper right hand corner under the heading **Lobbying Forms Center**.

Once you have clicked the Print my Statements link, a new window will open giving you the option to search by employer, agent/lobbyist or PED filer.

- Select the appropriate search function.
- Type in the name of the person or entity you are trying to locate.
- Once the person or entity appears there will be a link for each type of registration the person or entity holds, i.e. Legislative, Executive or Retirement.
- **You will need to print out the updates for each registration that appears**, i.e. Legislative, Executive or Retirement.

If you see a link for a prior reporting period with a "past due" indication, then you have not filed for that reporting period and will need to download those forms as well.

Any questions about accessing forms or registration status should be directed to our Administrative Assistant, Katie Reardon at [kreardon@jlec-olig.state.oh.us](mailto:kreardon@jlec-olig.state.oh.us), or 614-728-5100.

**ALL FORMS MUST BE COMPLETE WHEN FILED. ANY FORMS CONTAINING BLANK OR INCOMPLETE SECTIONS MAY BE RETURNED AND SUBJECT TO LATE FILING FEES.**

## **DEADLINES**

<b>FUNCTION</b>	<b>REPORTING PERIOD</b>	<b>DATE DUE</b>
INITIAL REGISTRATIONS	Required for each new Engagement	Within 10 Days from date of Engagement.
UPDATED REGISTRATION STATEMENTS	January 01 – April 30	May 31
	May 01 – August 31	September 30
	September 01 – December 31	January 31
TERMINATIONS	Required for each terminated engagement	Within 30 days of last lobbying activity
ADDRESS/CONTACT CHANGES	Covers each engagement	Report on next Updated Registration Statement

**A LOBBYIST OR EMPLOYER WHO HAS NOT FILED THE UPDATED REGISTRATION STATEMENT ON OR BEFORE THE APPLICABLE DEADLINE IS SUBJECT TO ANY OR ALL OF THE FOLLOWING:**

- ◆ DISCLOSURE OF THE LOBBYIST’S OR EMPLOYER’S NAME AND DELINQUENT STATUS ON THE JLEC WEBSITE;
- ◆ ASSESSMENT OF LATE FILING FEES – AFTER NOTIFICATION OF DELINQUENCY BY CERTIFIED MAIL AND 15 DAY CURE PERIOD PASSES WITHOUT COMPLIANCE;
- ◆ REFERRAL TO THE ATTORNEY GENERAL’S OFFICE FOR FURTHER INVESTIGATION

\*\*\* SEE PROHIBITIONS SECTION BELOW FOR FURTHER DISCUSSION ON PENALTIES FOR KNOWINGLY FAILING TO FILE AN UPDATED REGISTRATION STATEMENT.

## **TERMINATION OF ENGAGEMENT**

A lobbyist is required to notify the Office of the Legislative Inspector General *within 30 days* after the termination of an engagement. The lobbyist may fulfill this notification requirement by accessing the form "Termination Notice" from the JLEC website under the link [Blank Lobbying Forms](#). (See <http://codes.ohio.gov/orc/101.72>; <http://codes.ohio.gov/orc/121.62>; <http://codes.ohio.gov/orc/101.92>).

The agent and employer may file their respective Updated Registration Statements at the time of termination *IF* the agent has only one employer or the employer has only one agent. Otherwise, the agent or employer must wait until the end of the reporting period.

If the termination occurs near the end of a reporting period the lobbyist may report the termination on the agent's next Updated Registration Statement.

## PROHIBITIONS

See <http://codes.ohio.gov/orc/101.99>, <http://codes.ohio.gov/orc/121.99>, and <http://codes.ohio.gov/orc/101.99>.

There are criminal penalties for non-compliance with the registration, record keeping, and updating requirements.

- ◆ Knowingly failing to file an Initial Registration Statement, keep a receipt, maintain a record, or file an Updated Registration Statement is a misdemeanor of the fourth degree punishable by up to 30 days incarceration and a \$250 fine. For an organization it is a fine of \$2,000.
- ◆ Knowingly filing a false Initial Registration Statement or an Updated Registration Statement is a misdemeanor of the first degree punishable by up to 6 months in jail and a \$1000 fine. For an organization, it is a fine of \$5,000.
- ◆ No lobbyist may accept compensation, nor may anyone employ a lobbyist, where the compensation is contingent on the outcome of the lobbyist's efforts. (See <http://codes.ohio.gov/orc/101.77>, <http://codes.ohio.gov/orc/121.67>, and <http://codes.ohio.gov/orc/101.97>.)  
**Sales Exception:** The prohibition on contingency fees does not apply to those who seek to do business with a state agency, or a retirement system board, and pay a sales person on a commission basis so long as similarly situated employees, who are not registered as a lobbyist are also paid under the same incentive compensation plan.
- ◆ If an employer who engages an executive agency lobbyist is the recipient of a contract, grant, lease, or other financial arrangement pursuant to which funds of the state or of an executive agency are distributed or allocated, the executive agency or any aggrieved party may consider the failure of the employer or the executive agency lobbyist to comply with this section as a breach of a material condition of the contract, grant, lease, or other financial arrangement.
- ◆ Executive agency officials may require certification from any person seeking the award of a contract, grant, lease, or financial arrangement that the person and his employer are in compliance with registration and filing requirements of any applicable lobbying statute.
- ◆ Public Employee Retirement Systems may require certification from any person seeking the award of a contract, grant, lease, or other financial arrangement that the person and his employer are in compliance with registration and filing requirements of any applicable lobbying statute.

The Office of the Legislative Inspector General will refer alleged violations to the appropriate prosecuting authority.

In addition to the powers of the Office of the Legislative Inspector General, the Attorney General may investigate compliance with §101.70 to 101.79, §121.60 to 121.68 and §101.90 to 101.99 of the Ohio Revised Code in connection with statements required to be filed under these sections. If the Attorney General determines there is an apparent violation he shall report his findings to the Franklin County Prosecuting Attorney who shall institute such proceedings as are appropriate.

## **Supplement Coming Soon:**

- ❑ **Frequently Asked Questions**
- ❑ **Comparative Grid of Ethics Standards for Legislative Branch Financial Disclosure Statement Filers, Other Legislative Staff and Executive Branch Officials. Creation of this comparative grid will be a collaborative effort with the Executive Branch.**