

September 2008

LOBBYING DISCLOSURE

Observations on Lobbyists' Compliance with New Disclosure Requirements





Highlights of [GAO-08-1099](#), a report to congressional committees

Why GAO Did This Study

The Honest Leadership and Open Government Act (HLOGA) of 2007 amends the Lobbying Disclosure Act of 1995 by doubling the frequency of lobbyists' reporting and increasing criminal and civil penalties. This is GAO's first report in response to the Act's requirement for GAO to annually (1) determine the extent to which lobbyists can demonstrate compliance with the Act by providing support for information on their registrations and reports, (2) describe challenges identified by lobbyists to complying with the Act, and (3) identify the process for referring cases to the Department of Justice and the resources and authorities available to effectively enforce the Act. GAO reviewed a random sample of 100 reports filed by lobbyists during the first quarter of calendar year 2008. This methodology allowed GAO to generalize to the population of 17,801 reports filed. GAO also met with lobbyists regarding their filings and with Department of Justice officials regarding resources and authorities.

What GAO Recommends

GAO recommends that the United States Attorney for the District of Columbia complete efforts to develop a structured approach to focus limited resources on lobbyists who continually fail to file as required or otherwise fail to comply with the Act. The United States Attorney for the District of Columbia concurred with GAO's recommendation.

To view the full product, including the scope and methodology, click on [GAO-08-1099](#). For more information, contact George Stalcup at (202) 512-9490 or stalcupg@gao.gov.

LOBBYING DISCLOSURE

Observations on Lobbyists' Compliance with New Disclosure Requirements

What GAO Found

GAO estimates that lobbyists could provide accurate supporting information—in either written or verbal form—on income or expenses for at least 95 percent of all first quarter reports filed requiring this information. The legislation and guidance do not contain requirements for lobbyists to create or maintain documentation in support of the registrations or reports they file. Nonetheless, lobbyists were able to provide written or oral support for all required elements of individual reports GAO examined. However, the extent to which lobbyists could provide written documentation varied for different aspects of the reports. GAO estimates that lobbyists have written documentation to support income or expenses for approximately 91 percent of first quarter reports that required this information. In contrast, for a separate element listing the person who acted as a lobbyist, GAO estimates that lobbyists have written documentation for 35 percent of reports that required this information. Also, the majority of lobbyists newly registered with the Secretary of the Senate and Clerk of the House in the first quarter of 2008 also filed required disclosure reports for the period. However, for about 7 percent of the registrants, GAO could not identify a clear, corresponding report on file for their lobbying activity, likely because a report was not filed or because of a mismatch of information in reports that were filed.

While a number of lobbyists felt that existing guidance for filing required registrations and reports was sufficient, others believed additional clarifications, such as on issue area activity codes and on how to report various pieces of information about their organizations and lobbying activity, were needed. Several lobbyists also expressed uncertainty about what constitutes reportable lobbying activity under the law and how much detail they needed to provide on the specific lobbying issues for each client. The Act included the sense of Congress that the lobbying community should create an organization to develop training and standards for lobbying. GAO's work reinforces that such an organization would be beneficial and could share best practices and provide training on the types of records to support filings and report annually on opportunities to clarify existing guidance.

The United States Attorney's Office for the District of Columbia assigns its resources for lobbying compliance issues based on competing priorities within the Office. The Office has five staff members, including a Deputy Chief, three assistant U.S. attorneys, and one investigator who perform lobbying non-compliance follow-up, among other duties. Officials from the Office told us they have sufficient civil and criminal statutory authorities to enforce the Act. The department's lobbying compliance workload has increased in recent years. However, it currently lacks a structured approach for targeting its resources to the most significant noncompliance cases. Such an approach will require the Office to track the referrals when they are made, record reasons for the referrals, record the actions taken to resolve them, and assess the results of actions taken. The Office has recently begun to redesign its computer database to more accurately track referrals received in past years to identify trends in past compliance matters.

Contents

Letter		1
	Results In Brief	4
	Background	6
	Most Registered Lobbyists Could Provide Support for Their Filings and Newly Registered Lobbyists Largely Met Reporting Requirements	9
	Some Lobbyists Reported Challenges to Complying with the Act The United States Attorney's Office for the District of Columbia Assigns Resources Based on Competing Demands and Has Sufficient Authorities to Enforce Lobbying Compliance	13
	Conclusions and Observations	19
	Recommendations	19
	Agency Comments and Our Evaluation	20

Appendix I	Objectives, Scope, and Methodology	23
-------------------	---	----

Appendix II	Full List of Sampled Registrants and Clients	26
--------------------	---	----

Appendix III	Comments from the Department of Justice	30
---------------------	--	----

Appendix IV	GAO Contacts and Staff Acknowledgments	32
--------------------	---	----

Tables		
	Table 1: Levels of Documentation Lobbyists Provided to Support Sampled Lobbying Reports	10
	Table 2: Names of Registrants and Clients Selected in Random Sample of Lobbying Disclosure Reports Filed in First Quarter 2008	26

Figures		
	Figure 1: Newly Filed Registrations with Corresponding First Quarter Lobbying Reports	13
	Figure 2: Overview of the Lobbying Disclosure Referral Process	17

Abbreviations

DOJ	Department of Justice
HLOGA	Honest Leadership and Open Government Act of 2007

This is a work of the U.S. government and is not subject to copyright protection in the United States. It 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

September 30, 2008

Congressional Committees

Recent incidents involving the lack of transparency and unlawful actions of individuals and organizations paid to influence public policy have focused public and congressional attention on the interactions between government officials and lobbyists. The Honest Leadership and Open Government Act of 2007 (HLOGA), signed into law on September 14, 2007, amends the Lobbying Disclosure Act of 1995 (the Act), by doubling the frequency of lobbyists' reporting from semiannually to quarterly, increasing civil penalties, and adding criminal penalties. The law also requires GAO to use a random sample to annually determine the extent to which lobbyists are able to provide support for information contained in their reports and registrations, provide recommendations related to improving compliance by lobbyists with the Act, and report on resources and authorities available to the Department of Justice (DOJ) for effective enforcement of the Act. GAO's initial report is to cover registrations and reports filed during the first calendar quarter of 2008. Subsequent GAO reports will be submitted annually by the beginning of April and will include a review of registrations and reports filed during the preceding calendar year.

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

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

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

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

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

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

- determine the extent to which lobbyists can provide support for information on registrations and reports filed in response to requirements of the amended Lobbying Disclosure Act;
- identify the challenges lobbyists cite in complying with the Act and suggestions for improving compliance; and
- describe the process of referring noncompliance cases to the DOJ and the resources and authorities available to DOJ in its role in enforcing compliance with the Act.

To respond to the requirements of HLOGA, we selected a random sample of 100 reports filed by lobbyists for the first quarter of calendar year 2008.⁵ We selected our sample from the public downloadable database of lobbying registrations and reports maintained by the Clerk of the House. Based on our sample review, we are able to estimate characteristics of this population of 17,801 first quarter reports filed by lobbyists. Our sample is based on random selection, and it 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 particular sample's results as a 95 percent confidence interval. This is the

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

⁵ These reports were due April 21, 2008.

interval that would contain the actual population value for 95 percent of the samples that we could have drawn.

We contacted each lobbyist in our sample and asked them to provide support for key elements of these reports, including the amount of money received for lobbying activities, the names of the people who acted as lobbyists, and the issues being lobbied. For our purposes, the term lobbyist refers to lobbying entities, which run the gamut from sole practitioners to small associations to large organizations or lobbying firms. Our work focused on examining lobbyists' compliance with the Act's requirements by reviewing support—which included both documentation and verbal explanations—they provided for the information contained in their reports. We also compared new registrations filed in the first quarter of calendar year 2008 to first quarter reports on file with the Secretary of the Senate and the Clerk of the House to determine whether new registrants met the requirement to file a quarterly report after registration. We asked lobbyists in our sample about their experiences under the new legislation, including any challenges to compliance, and asked them how such challenges might be addressed. To provide information on the resources and authorities used by DOJ in its role in enforcing compliance with HLOGA, we interviewed DOJ officials, obtained information from those involved in the referral process, and requested data on the number of cases referred, pending, and resolved.

Our objectives did not include identifying lobbyist organizations that failed to register and report in accordance with HLOGA requirements, or whether, for those lobbyists that did register and report, the lobbying activity disclosed represented the full extent of lobbying activities that took place. Consistent with the language of the mandate, our work did not cover the operations of 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. We were asked to examine first quarter filings for this initial report, which excludes Form LD-203 (covering certain contributions and payments for event costs) because that report was due for the first time on July 30, 2008.

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

findings and conclusions based on our audit objectives. For more details on our methodology, please see appendix I.

Results In Brief

We estimate that lobbyists could provide accurate supporting information—in either written or verbal form—on income or expenses for at least 95 percent of all first quarter reports filed that required this information.⁶ The legislation and guidance do not contain requirements for lobbyists to create or maintain documentation in support of the registrations or reports they file. Nonetheless, lobbyists were able to provide written or oral support for all required elements of individual reports we examined. However, the extent to which lobbyists could provide written documentation varied for different aspects of the reports. We estimate that lobbyists have written documentation to support income or expenses for approximately 91 percent of first quarter reports that required this information.⁷ In contrast, for a separate element listing the individuals who acted as a lobbyist, we estimate that lobbyists have written documentation for 35 percent of reports that required this information. The nature of support for the reports varied widely ranging from detailed billing statements to informal logs or verbal explanations. The nature of lobbyists' tracking and/or accounting systems also varied widely. The lobbyists without detailed tracking systems estimated elements of their lobbying activity, as necessary, in preparing their reports. For example, some lobbyists who both lobby and perform non-lobbying consulting services for clients for the same monthly retainer estimated how much work was for lobbying activity versus consulting services for each client. Neither the law nor guidance specifies any documentation requirements in relation to information reported under the Act. Only one lobbyist in our random sample provided support that was not in agreement with the expenses information contained in the report filed. That lobbyist subsequently filed an amended report with the Senate and the House, correcting the amount of reported expenses. Several lobbyists in our sample reported the names of federal agencies lobbied or the names of individual staff members who acted as lobbyists on behalf of the client, although such activity did not take place during the reporting period. In addition, most lobbyists who newly registered in the first quarter of 2008

⁶ Income or expense information was not required for reports indicating no lobbying activity.

⁷ Unless otherwise noted, all percentage estimates have 95 percent confidence intervals between plus or minus 11 percentage points or less of the estimate.

filed corresponding disclosure reports for the reporting period as required. However, approximately 7 percent of the new registrants did not have a clearly corresponding report on file for their lobbying activity.

In discussing the new legislation and reporting requirements with us, many lobbyists felt the law and guidance were sufficient. However, some lobbyists commented that they thought the law and guidance lack specificity. For example, some lobbyists reported they were uncertain about which of their activities constitute “lobbying activity” as defined in the Act, or how to report affiliated organizations and coalitions or foreign entities with interest in their client. They also reported that the issue-area codes provided in the guidance to indicate types of lobbying activity are not well-defined, may overlap, and require them to use judgment to choose among codes that are not entirely applicable to their individual situations. In addition, a few lobbyists stated that the shortened, 20-day deadline for filing quarterly reports is difficult to meet.⁸ Some other lobbyists also said that in cases where the guidance was not clear, the Secretary of the Senate and Clerk of the House staff were helpful in providing clarifications. The Act included the sense of Congress that the lobbying community should create an organization to develop training and standards for lobbying. Our work reinforces the notion that such an organization would be beneficial and could share best practices and provide training on the types of records to support filings, and report annually on opportunities to clarify existing guidance.

When the Secretary of the Senate and Clerk of the House discover that a lobbyist has failed to file a report as required under the Act, they follow up with the lobbyist twice. If the reports are still not filed in accordance with the Act, they refer the matter to the United States Attorney’s Office for the District of Columbia (the Office). The Office assigns its resources for lobbying compliance issues based on competing priorities within the Office. The Office has a staff of about 700. Within the office, five staff members, including a Deputy Chief, three assistant U.S. attorneys, and one investigator, perform lobbying noncompliance follow up, among other duties. Office officials told us they have sufficient civil and criminal statutory authorities to enforce the Act. However, the Office does not have a formal, structured approach for identifying which matters should be the focus of its resources. With such an approach, the Office could

⁸ Prior to HLOGA, reports covered a semiannual period and were due 45 days after the end of the reporting period.

concentrate its efforts on lobbyists who continually fail to file or otherwise do not comply with requirements of the Act. In commenting on a draft of this report, Office officials stated they have recently begun to redesign their computer database to more accurately track referrals and trends in past compliance matters, for the purpose of targeting resources to the most significant noncompliance cases. We are recommending that the U.S. Attorney for the District of Columbia build on efforts to develop a structured approach to focus limited resources on lobbyists who continually fail to file as required or are otherwise not in compliance. Such an approach should require the Office to track the referrals when they are made, record reasons for the referrals, record the actions taken to resolve them, and assess the results of actions taken. The U.S. Attorney for the District of Columbia commented on a draft of this report and concurred with our recommendation to complete efforts to develop a structured approach. The Office indicated it plans to enhance its database to improve tracking and has assigned an additional staff member to assist with lobbying compliance matters. We incorporated the Office's technical comments throughout the report as appropriate.

Background

Lobbying registrations and reports are required under the Lobbying Disclosure Act of 1995 (the Act) as amended by the Honest Leadership and Open Government Act of 2007 (HLOGA) to disclose the identities of people attempting to influence the government, the subject matters of their attempts, and the amounts of money they spend to accomplish their goals.⁹ The Act requires that lobbyists register with the Secretary of the Senate and the Clerk of the House and file periodic reports disclosing their activities. The Act was amended by HLOGA to make those reports due quarterly (they had previously been due semiannually).¹⁰ HLOGA requires lobbyists to disclose whether they held an official covered position¹¹ in the past 20 years (rather than the 2 years the Act had previously required), whether the client is a state or local government, and whether any members of a coalition or association actively participated in the lobbying

⁹ Lobbying Disclosure Act of 1995, Pub. L. 104-65, 109 Stat. 691, as amended by Honest Leadership and Open Government Act of 2007, Pub. L. 110-81, 121 Stat. 735 (Sept. 14, 2007) codified at 2 U.S.C. §§1601-1607.

¹⁰ 2 U.S.C. §1604.

¹¹ A covered position/official is defined as an elected Member of either house of Congress, an employee of a Member or a committee, or certain high-level positions in the Executive branch. 2 U.S.C. §1602.

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

The Act defines “lobbyists” and “lobbying activities” and imposes requirements on the reporting of those activities. Under the Act, a lobbyist can be an individual, a lobbying firm, or an organization that has employees lobbying on its own behalf, depending on the circumstances. Lobbyists are required to file a registration with the Secretary of the Senate and the Clerk of the House for each client on whose behalf a lobbying contact is made if a minimum dollar threshold is passed.¹² The registration must list the name of the organization, lobbying firm, or self-employed individual lobbying on that client’s behalf. In addition, the registration and subsequent reports must list the individuals who acted as lobbyists on behalf of the client during the reporting period. For reporting purposes, a lobbyist is defined as a person who has made two or more lobbying contacts¹³ and whose lobbying activities represent at least 20 percent of the time that he or she spends on behalf of the client during any quarter. Registrations and reports must also identify any covered official positions a lobbyist held in the previous 20 years.

The registration and subsequent quarterly reports must also disclose the name of and further information about the client. The lobbyist is required to disclose any foreign entities with interest in the client. The lobbyist must report if the client is a state or local government. When the client is a coalition or association, the lobbyist must identify any constituent organization that contributes more than \$5,000 for lobbying in a quarter and actively participates in the planning, supervision, or control of

¹² A lobbying firm needs to register if the firm’s total income from the lobbying client exceeds or is expected to exceed \$10,000 in a quarterly reporting period. An organization that employs internal lobbyists must register if the organization’s lobbying expenses exceed or are expected to exceed \$2,500 in a quarterly period and at least one employee meets the statutory definition of a lobbyist.

¹³ A lobbying contact is an oral or written communication to a covered executive or legislative branch official made on behalf of a client attempting to influence legislation or executive programs or policies.

lobbying activities.¹⁴ The registration and subsequent reports may either list each organization or make the list available on the coalition's or association's Web site and disclose the Web address in the report.

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

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

¹⁴ HLOGA increased the level of required disclosure. Previously under the Act coalitions and associations were only required to list members who "in whole or in major part plans, supervises, or controls such lobbying activities."

Most Registered Lobbyists Could Provide Support for Their Filings and Newly Registered Lobbyists Largely Met Reporting Requirements

We estimate that lobbyists could provide accurate supporting information—in either written or verbal form—on income or expenses for at least 95 percent of all first quarter reports filed that required this information.¹⁵ Neither the Act nor lobbying guidance specifies any standards or requirements for lobbyists to maintain records or documentation to support information disclosed in their reports. Nonetheless, lobbyists were able to provide written or oral support for all required elements of individual reports we examined. However, the extent to which lobbyists could provide written documentation varied for different aspects of the reports. The extent to which lobbyists could provide written documentation to support elements of their filings was quite high for some elements such as income or expenses, but notably lower for other elements such as the individuals who acted as lobbyists. The Act requires lobbyists to make a good faith estimate of either all income received from the client or total expenses of lobbying activities. Although the Act does not contain any special record-keeping provisions, guidance from both the Secretary of the Senate and Clerk of the House recommends that lobbyists retain copies of their filings and supporting documentation for at least 6 years after reports are filed.

We estimate that lobbyists have written documentation to support income or expenses for approximately 91 percent of first quarter reports that required this information.¹⁶ We also estimate that lobbyists could provide written support for issues lobbied for approximately 58 percent of reports and for 47 percent of report information on which house of Congress or agencies were lobbied. Lobbyists had written documentation to support information about the individuals who acted as a lobbyist for 35 percent of reports. Sample sizes for affiliated organizations, foreign entity interests, and the names of individuals no longer acting as lobbyists were too small to provide reliable estimates of levels of written documentation and verbal explanations in support of first quarter reports that required this information.

¹⁵ Income or expense information was not required for reports indicating no lobbying activity. Written or verbal support was provided for 92 of the 93 reports reviewed. Based on this, we are 95 percent confident that at least 95 percent of all first quarter reports provided either written or verbal supporting information.

¹⁶ Unless otherwise noted, all percentage estimates have 95 percent confidence intervals between plus or minus 11 percentage points or less of the estimate.

Our estimates of the levels of lobbyists' documentation are based on our review of 100 reports, which included 93 reports of lobbying activity and 7 "no activity" reports. Table 1 provides the actual numbers from our sample that formed the basis for our estimates.

Table 1: Levels of Documentation Lobbyists Provided to Support Sampled Lobbying Reports

Elements of the report ^a	Number of reports in which element was included	Written documentation supported report	Verbal explanation supported report	Documentation conflicted with report
Lobbying income or expenses	93	85	7	1
Lobbying income	77	75	2	0
Lobbying expenses	16	10	5	1
Specific lobbying issues	93	54	39	0
Houses of Congress and federal agencies lobbied	93	44	49	0
Name(s) of individuals acting as lobbyists	93	33	60	0
Name(s) of previously registered individuals no longer acting as lobbyists for client	15	2	13	0
Affiliated organizations	2	1	1	0
Foreign entity interest	5	2	3	0

Source: GAO.

^aNot all elements of the report were applicable to all lobbyists.

In our meetings with lobbyists, the types of documentation we were provided and processes to track lobbying activity to support filings varied widely among lobbyists, with some of the lobbyists in our sample providing comprehensive written documentation supporting information in the reports they filed and others providing less or no documentation, often adding verbal explanations.

- Most lobbyists supported their reported information on lobbying income with billing statements, invoices, or contracts.
- Some lobbyists supported their reported information on lobbying contacts and issues using e-mails or summaries of meetings with Congress or federal agencies.
- Lobbyists who had little or no written documentation provided verbal explanations to support the reported information.

Our sample also showed that just one of the disclosure reports did not match the information provided for one of the specific elements we

examined during our review. In this case, the lobbyists we visited realized that the lobbying expenses dollar amount had been reported incorrectly. That lobbyist subsequently filed an amended report to correct the amount of expenses disclosed.

Although the legislation and guidance do not require lobbyists to maintain records or documentation to support information disclosed in their reports, several of the lobbyists we spoke to during our review expressed interest in obtaining advice or information on documentation that would best support their filings. Some lobbyists, for example, told us they would like information from other firms on how to set up tracking and compliance systems before filing deadlines. Some felt that a checklist of useful information and documentation to consider when filing would be helpful.

Lobbyists had systems to track lobbying contacts and the amount of time spent on lobbying activities for an estimated 49 percent of first quarter reports. Some lobbyists had detailed tracking and accounting systems. One large lobbying firm, for example, provided us with a demonstration of a database system that they developed to track their lobbying activity in detail. The system captured data provided by the firm's many lobbyists about their contacts, time charges, issues lobbied, and clients and generated monthly e-mail reports for lobbyist so that they could verify the information and report any discrepancies. Other firms used lobbying activity tracking systems that were integrated with their billing systems. Of these, some told us that they had recently augmented their billing codes to better track lobbying activity to report under HLOGA.

In contrast, the other lobbyists we spoke to did not have detailed tracking or accounting systems for lobbying activity. These lobbyists estimated elements of their lobbying activity as necessary in preparing their reports. Lobbyists who lobbied and performed non-lobbying consulting services for clients for the same monthly retainer estimated the amount of time spent lobbying versus providing consulting services in preparing their reports. In addition, a number of firms reported they were uncertain of whether to track the time and involvement of volunteers or members of their boards of directors.

Six of the lobbyists within our sample reported some aspects of lobbying activity that did not take place. Some lobbyists told us that they

-
- reported individuals as lobbyists even though the individuals were not involved in any lobbying activities for the client in question during the reporting period;
 - reported that they had lobbied certain federal agencies even though they indicated during our visits that such activity did not take place during the reporting period; and
 - filed reports but stated that they actually had not engaged in any lobbying activity for the client in question during the reporting period.

In addition, three lobbyists rounded the amount of their lobbying income up to the next \$10,000, rather than to the nearest \$10,000 as instructed.

A few of the lobbyists cited unclear and vague law and guidance as a reason for reporting more information than their lobbying activity required. But other lobbyists told us that they added information as part of a cautious approach to the filing process, to lessen the chances that they would fail to fully report. Another reason for reporting additional data was that lobbyists did not want to edit their reports each quarter to reflect what they perceived to be minor changes—such as changes in the names of individuals acting as lobbyists on specific issues or in lists of federal agencies lobbied—and chose to leave this kind of information in their report in case it should become applicable again for a future reporting period.

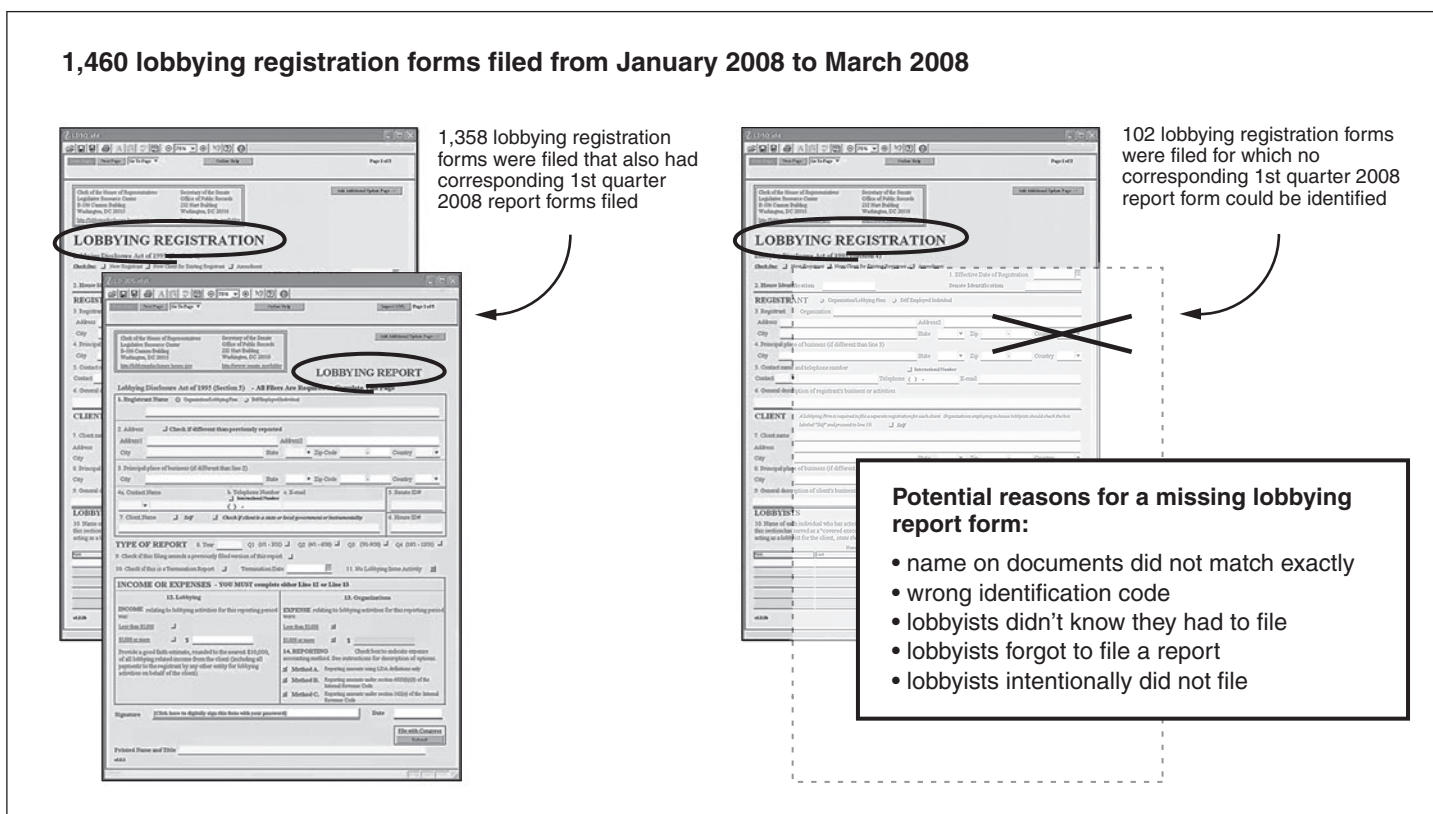
Most Newly Registered Lobbyists Met Reporting Requirements

Lobbyists who registered in the first quarter of 2008 largely filed disclosure reports for the reporting period as required. To determine whether new registrants were meeting the requirement to file, we matched newly filed registrations from the House Lobbyists Disclosure Database to their corresponding first quarter disclosure reports using an electronic matching algorithm that allowed for misspelling and other minor inconsistencies between the registrations and reports. Our analysis of the 1,460 new registrations showed that the majority (1,358) had a clearly corresponding disclosure report on file, indicating that the requirement for these lobbyists to file reports for specific clients was generally met. However, we could not identify corresponding first quarter reports of lobbying activity for 102 (approximately 7 percent) of the 1460 new registrations.

We brought this matter to the attention of the Secretary of the Senate and Clerk of the House so that they could follow up with the lobbyists to resolve any potential compliance issues. Staff of the Secretary of the Senate and Clerk of the House told us that while the newly registered

lobbyists for whom we could not identify corresponding reports may not have filed a report, it is possible that they filed reports with information that did not fully match their registrations. For example, if a client's name did not precisely match the name listed on the lobbyist's registration, it would be difficult to match the registrants to their corresponding reports. Figure 1 below illustrates the number of registrations for which we were unable to find a corresponding report.

Figure 1: Newly Filed Registrations with Corresponding First Quarter Lobbying Reports



Sources: GAO analysis of Clerk of the House of Representatives and Secretary of the Senate data; Clerk of the House of Representatives and Secretary of the Senate (forms).

Some Lobbyists Reported Challenges to Complying with the Act

Some lobbyists identified certain challenges to their compliance with the Act, including uncertainty about how to report various pieces of information about their organizations and lobbying activity. Our random sample of 100 quarterly reports included 86 separate lobbyists (some lobbyists had reports for more than one client in our sample). About half (41 out of 86) of these lobbyists said that they needed further information

specific to their own situations, in addition to the law and the guidance provided by the Secretary of the Senate and the Clerk of the House. Many lobbyists told us that when they had questions or needed clarification regarding the law and associated guidance, the staffs of the Secretary of the Senate and the Clerk of the House were helpful at providing needed assistance. For example, some lobbyists told us:

- They were confused about whether and under what circumstances members of a trade association had to be listed under the requirement to report certain affiliated organizations.
- They did not know how to report foreign entity interest in the client if the client is a U.S. corporation with an international parent company.
- The issue area codes used to indicate types of lobbying activity are not well defined and may overlap, requiring them to use their judgment to choose between codes that were not entirely applicable to their individual situations.
- They were not sure which of their activities constituted “lobbying activity” as defined in the Act.
- They did not know how much detail they needed to provide on the specific lobbying issues for each client.

Some lobbyists also cited certain administrative constraints as challenges to their compliance with the Act. Under HLOGA, the deadline for filing disclosure reports is 20 days after each reporting period, or the first business day after the 20th day if the 20th day is not a business day. Prior to HLOGA, the deadline for filing disclosure reports was 45 days after the end of each reporting period. Some lobbyists told us:

- The new 20-day deadline was difficult to meet because of limitations of their own internal billing or record-keeping systems.
- The increased frequency of reporting presented an administrative burden.
- They found the increased frequency of reporting to be beneficial for their own record-keeping.

Some lobbyists told us they took added steps to help ensure their compliance with the new requirements of HLOGA. These actions included conducting internal training sessions for their staff, hiring outside counsel to give presentations and provide training, and attending training seminars and workshops offered by other lobbying organizations, law firms, and membership organizations in the lobbying community.

In this regard, a vehicle for lobbying organizations to share information may assist some lobbyists in better ensuring the accuracy and

completeness of information in their lobbying disclosure reports. HLOGA includes the sense of Congress that the lobbying community should develop proposals for multiple organizations that could provide a number of programs to assist compliance with lobbying disclosure, such as creating standards for the organizations appropriate to the type of lobbying and individuals to be served and providing training and educational materials on reporting and disclosure requirements. The creation of such organizations may assist the lobbying community with minimizing confusion and clarifying the information needed to comply with the Act.

The United States Attorney's Office for the District of Columbia Assigns Resources Based on Competing Demands and Has Sufficient Authorities to Enforce Lobbying Compliance

Officials from the United States Attorney's Office for the District of Columbia (the Office) informed us that resources are assigned to lobbying compliance issues based on competing priorities within the Office. In addition to responding to referred cases of lobbyist noncompliance, the Office is responsible for prosecuting all criminal cases in the District of Columbia including cases that would be otherwise prosecuted by state authorities in other jurisdictions. The Office also prosecutes and defends all civil cases in the District of Columbia in which the United States is a party, and initiates legal process to collect debts owed to the federal government. It is the largest U.S. Attorney's Office with more than 350 Assistant U.S. Attorneys and more than 350 support personnel for carrying out the multitude of the Office's responsibilities.

Officials from the Office stated that most tasks on referred lobbying compliance cases are administrative, such as researching and responding to referrals and sending notices to the lobbyists requesting that they file reports or correct reported information. The Office has five staff members who work on lobbying noncompliance issues in addition to other duties: a deputy chief, three assistant U.S. Attorneys, and an investigator. Officials stated that the Office's other resources in its civil work are dedicated to higher priority activities with a higher return to the taxpayer, such as health care fraud.

If the Office decides to pursue a case against a referred lobbyist, penalties may be imposed on lobbyists who intentionally fail to (1) remedy a defective filing within 60 days after notice of such a defect by the Senate Secretary or House Clerk's Office and the U.S. Attorney's Office or (2) comply with any other provision of the Act. Penalties, recently increased by HLOGA for offenses committed after January 1, 2008, involve a civil fine of not more than \$200,000 and criminal penalties of not more than 5 years in prison. Criminal penalties may be imposed against lobbyists who

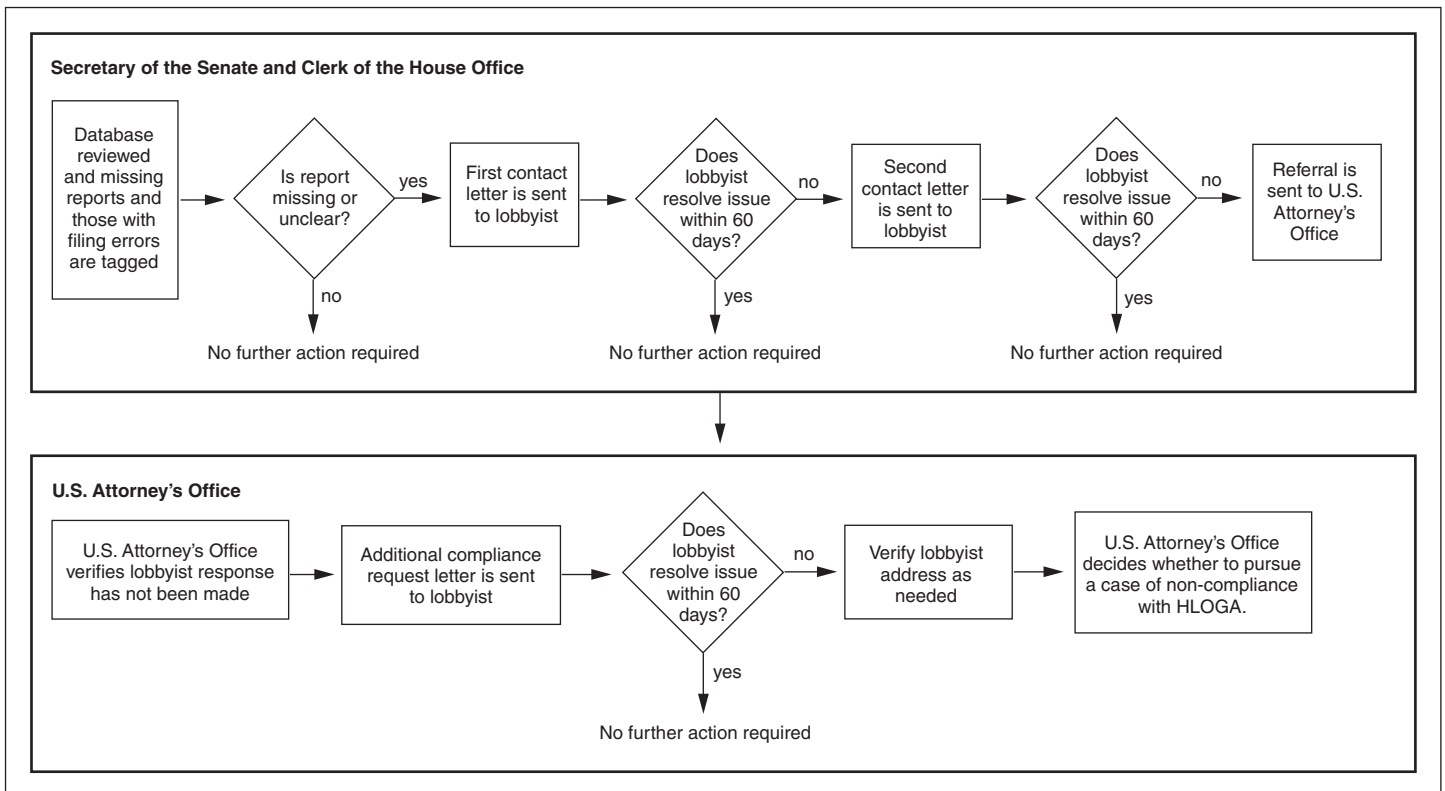
knowingly and corruptly fail to comply with the Act. Officials from the Office stated that they have sufficient civil and criminal statutory authorities to enforce the Act.

The Office receives referrals of noncompliance from the Secretary of the Senate and Clerk of the House.¹⁷ The Secretary of the Senate and Clerk of the House send referrals after they have twice contacted the lobbyists by letter to inform them of the need to remedy an error or file a missing report. Extended periods of time may lapse between when the Secretary of the Senate and the Clerk of the House send the first contact letter and when they make referrals to the U.S. Attorney's Office. For example, the most recent referrals were received in April 2008 for the filing period that ended in 2006. According to the Office, lobbyists often respond to a contact letter from the Secretary of the Senate and Clerk of the House after referrals have been received by the Office.

Before the Office sends out its own letters requesting compliance to lobbyists once referrals are received, its staff first reviews the Secretary of the Senate and Clerk of the House databases to determine if that lobbyist has already resolved the compliance issue. Once this has been done, the Office will send a letter to each lobbyist informing the lobbyist of the need to correct the problem or file reports. The Office attempts to verify the lobbyist's address where letters were returned or no response was received after 60 days. Thereafter, the Office makes a determination whether to pursue a case of noncompliance with HLOGA. Office officials told us that the work involved in this entire process takes a considerable amount of time and resources. For an overview of the referral process, see figure 2.

¹⁷ The Secretary of the Senate and the Clerk of the House refer lobbyists to the DOJ if they fail to file on time or if they provide inaccurate information in their reports.

Figure 2: Overview of the Lobbying Disclosure Referral Process



Source: GAO.

Referrals have increased in recent years, and as a result, the Office’s workload relative to lobbying disclosure has increased. The Secretary and Clerk automated their referral process in 2004, and began transmitting referrals to the Office electronically in 2006. According to Office officials, the automation of the referral process likely contributed to a significant increase in the number of referrals. Since 2004, the Office has received more than 4,000 referrals from the Secretary of the Senate and Clerk of the House. Because of a lack of consistent records in past years, the Office was unable to provide complete and accurate data for each reporting period prior to 2006 to indicate the number of letters it sent to lobbyists asking them to comply with the Act, and the number of lobbyists who complied after the referral was received. Office officials indicated that such information would be useful to help them better track their workload and make resource decisions.

The Office has not received referrals for the 2007 reporting period. The Office received more than 1,000 for the 2003, 2004, and 2005 reporting periods. In September 2007, the Office received 449 referrals for the mid-year 2006 reporting period. The most recent set of referrals was sent by the Secretary of the Senate in April 2008 and totaled approximately 330 referrals, all of which were for the 2006 year-end reporting period. Office officials provided additional information on these referrals, and explained that they consolidated the 2006 year-end referrals for lobbyists that have more than one report that is noncompliant, leaving 268 lobbyists with one or more filings. Officials researched the Senate database and determined that 16 of the 268 lobbyists filed a report after the Office received the referrals from the Senate. As a result, the Office has recently sent 252 letters to lobbyists asking them to comply with the Act by promptly filing a report or an amendment to correct an issue that has been identified.

The Office does not have a formal, structured approach that enables them to readily prioritize matters that should be the focus of its resources. For example, it does not identify those lobbyists who continually fail to file or otherwise do not comply with requirements of the Act. In commenting on a draft of this report, Office officials stated they have recently begun to redesign their computer database to more accurately track referrals and identify trends in past compliance matters in order to create a more structured approach for assigning its resources. Office officials believe that once this is accomplished it should provide a foundation that will allow the Office to better focus its lobbying compliance efforts. Such a structured approach becomes increasingly important in light of the Office's growing workload.

The Office has been primarily focused on sending letters to lobbyists who have potentially violated the Act, requesting that they comply with the law and promptly file the appropriate disclosure documents. Resolution typically involves the lobbyists coming into compliance. Office officials told us that since the Act was passed in 1995, they have settled with three lobbyists and collected civil penalties totaling about \$47,000. All of the settled cases involved a failure to file.

Under HLOGA, DOJ is required to file an enforcement report with Congress after each semiannual period beginning on January 1 and July 1, detailing the aggregate number of enforcement actions taken by DOJ under the Act during the semiannual period and, by case, any sentences imposed. On September 18, 2008, DOJ filed its first report for the semiannual period ending June 30, 2008.

Conclusions and Observations

Most registered lobbyists could provide support for their filings and newly registered lobbyists largely met the reporting requirements. However, several lobbyists in our sample reported some lobbying activity that did not occur, a circumstance that diminishes the value of information reported to Congress. In addition to a lack of clarity in the available guidance, the absence of documentation requirements and the fact that some lobbyists estimate amounts to be included in their reports may have resulted in some inaccurate information reported to Congress.

Based on these observations, we believe that the lobbying community could benefit from creating an organization to

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

The recent increase in public and congressional attention on lobbyists and their interactions with government officials and the increase in disclosure requirements indicate the importance of enforcing the Act. To better address potential issues of noncompliance, the Department of Justice and the U.S. Attorney's Office's limited resources need to be targeted toward the most significant and repeated cases of noncompliance. Without a structured approach, the Office does not have the assurance that it is investing its limited resources in the most useful manner. Office officials believe that the recently initiated effort under way to redesign its computer database to more accurately track referrals should provide a structured approach to address problem filers.

Recommendation

We recommend the U.S. Attorney for the District of Columbia

- Complete efforts to develop plans for a structured approach to focus limited resources on those lobbyists that continually fail to file as required or are otherwise not in compliance. Such an approach should require the Office to track the referrals when they are made, record reasons for the referrals, record the actions taken to resolve them, and assess the results of actions taken.

Agency Comments and Our Evaluation

We provided a draft of this report to the Attorney General for the Department of Justice (DOJ) for review and comment. On behalf of the DOJ, the U.S. Attorney for the District of Columbia provided us with written comments (see app. III). The U.S. Attorney for the District of Columbia concurred with our recommendation and stated that the office has devoted appropriate attention to enforcing the Act and plans to continue to develop an approach to focus limited resources on lobbyists that continually fail to file as required or otherwise fail to comply with the Act. The U.S. Attorney noted that his office is taking or planning to take actions that should allow the office to develop a more structured approach as we recommended. Specifically, the U.S. Attorney indicated that the office plans to enhance its database to improve tracking and has assigned an additional staff member to assist with lobbying compliance matters. The Office of the U.S. Attorney also provided technical comments, which we have incorporated as appropriate.

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

Please contact George Stalcup at (202) 512-9490 or stalcupg@gao.gov if you or your staffs have any questions about this report. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix IV.



George Stalcup
Director, Strategic Issues

List of Addressees

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

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

The Honorable Joe Lieberman
Chairman
The Honorable Susan Collins
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

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

The Honorable Dianne Feinstein
Chairman
The Honorable Bob Bennett
Ranking Member
Committee on Rules and Administration
United States Senate

The Honorable Henry A. Waxman
Chairman
The Honorable Tom Davis
Ranking Member
Committee on Oversight and Government Reform
House of Representatives

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

The Honorable Robert A. Brady
Chairman
The Honorable Vernon J. Ehlers
Ranking Member
Committee on House Administration
House of Representatives

Appendix I: Objectives, Scope, and Methodology

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

- determine the extent to which lobbyists can demonstrate compliance by providing support for information on registrations and reports filed in response to requirements of the amended Lobbying Disclosure Act (the Act);
- identify the challenges lobbyists cite in complying with the Act and suggestions for improving compliance; and
- describe the process of referring noncompliance cases to the Department of Justice (DOJ) and the resources and authorities available to DOJ in its role in enforcing compliance with the Act.

To respond to the requirements of HLOGA, we used information in disclosure databases maintained by the Secretary of the Senate and the Clerk of the House of Representatives. To assess whether these disclosure data were sufficiently reliable for the purposes of this report, we reviewed relevant documentation and spoke to officials responsible for maintaining the data. Although registrations and reports are filed through a single Web portal, each chamber subsequently receives copies of the data and follows different data cleaning, processing, and editing procedures before storing the data in either individual files (in the House) or databases (in the Senate). Currently, there is no means of reconciling discrepancies between the two databases that result from chamber differences in data processing; however, we do not have reason to believe that the content of the two systems would vary substantially. While we determined that the both the House and Senate disclosure data were sufficiently reliable for identifying a sample of first quarter reports and for assessing whether newly filed registrants also filed required reports, we chose to use data from the Clerk of the House for ease of processing. We did not evaluate the Offices of the Secretary of the Senate or the Clerk of the House—both of which have key roles in the lobbying disclosure process—although we met with officials from each office, and they provided us with general background information at our request.

To assess the extent to which lobbyists' could provide evidence of their compliance with reporting requirements, we examined a random sample of 100 of the 19,861 first quarter reports filed by the April 21 deadline and available in the House database as of our download date of May 12, 2008. We later determined that a portion of the reports in the database were amendments or test cases, and thus 17,801 first quarter reports were in scope for our sample. Our sample is based on random selection, and it 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 particular sample's results as a 95 percent confidence interval. This is the interval that would contain the actual population value for 95 percent of the samples that we could have drawn. All percentage estimates in this report have 95 percent confidence intervals of within plus or minus 11 percentage points of the estimate itself, unless otherwise noted.

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

- the amount of money received for lobbying activities;
- the amount of money spent on lobbying activities;
- the specific issues on which they lobbied;
- the houses of Congress and federal agencies which they lobbied;
- the names of individuals who acted as lobbyists for the client listed on the report;
- the names of foreign entities with interest in the client;
- the names of individuals no longer acting as a lobbyist for the client; and
- the names of any member organizations of a coalition or association that actively participated in lobbying activities on behalf of the client.

Our work to examine lobbyists' compliance was limited to reviewing support provided by the lobbyists, which included both documentation and oral explanations. Neither the law nor guidance currently specifies any documentation requirements in relation to information reported under the Act.

To determine if the Act's requirement for registrants to file a report in the quarter of registration was met during the first quarter of 2008, we matched the 1460 records in the House's first quarter registration file as of May 13, 2008, to those in the first quarter report filings using House ID, Senate ID, and text matching procedures. We examined all first quarter registrations filed and signed on March 31, 2008, or before. We deleted 31 duplications of multiple registrations and selected only the most recent registration each lobbyist filed for each particular client. We electronically matched registrations with reports using House and Senate identification numbers, lobbyist organization name, and client name. We identified 94 perfect matches, then relaxed our criteria to allow for minor typos and missing identification codes, and identified an additional 1233 registrations with corresponding reports in the first quarter filings. We could not readily identify matches in the report database for the remaining 102 registrations.

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

Our objectives did not include identifying lobbyists that failed to register and report in accordance with HLOGA requirements, or whether for those lobbyists that did register and report, all lobbying activity was disclosed. We conducted this performance audit from March 2008 through September 2008 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: Full List of Sampled Registrants and Clients

The random sample of lobbying disclosure reports we selected was based on client names.

Table 2: Names of Registrants and Clients Selected in Random Sample of Lobbying Disclosure Reports Filed in First Quarter 2008

	Registrant Name	Client Name
1	Akin Gump Strauss Hauer & Feld	SAS Institute, Inc.
2	Akin Gump Strauss Hauer & Feld	Solano Transportation Authority
3	Alutiiq, LLC	Alutiiq, LLC
4	The Amani Group, LLC	Comcast Corporation
5	American Society for Reproductive Medicine	American Society for Reproductive Medicine
6	The Anschutz Company	The Anschutz Company
7	Auburn Health Strategies, LLC	Science Horizons Inc.
8	Avenue Solutions	Northwest Airlines
9	B & D Consulting	The Mind Trust
10	Balch & Bingham, LLP	Jefferson County Sheriff's Office
11	Ball Janik, LLP	Costa Pacific Communities
12	Barbour Griffith & Rogers, LLC d/b/a/ BGR Holding	City of Madison
13	Beveridge & Diamond, P.C.	Carbon Offset Providers Coalition
14	BKSH & Associates	Cummins Engine Company
15	Bruce Fennie & Associates	Monroe County Airport Authority
16	Cardinal Point Partners	Middlesex Community College
17	Cassidy & Associates	Oneida Healthcare Center
18	Citizens Committee for the Right to Keep and Bear Arms	Citizens Committee for the Right to Keep and Bear Arms
19	Cornerstone Government Affairs, LLC	Owensboro Medical Health System
20	Cornerstone Government Affairs, LLC	Global Crop Diversity Trust
21	Cornerstone Government Affairs, LLC	Kennedy Health System
22	Council of the Americas	Council of the Americas
23	Deborah Hohlt	State of Indiana
24	Dewey & LeBoeuf, LLP	Water Environment Research Foundation
25	Drinker Biddle & Reath, LLP	Riverain Medical
26	DTB Associates, LLP	National Pork Producers' Council
27	Dutko Worldwide, LLC	AVCORR Consultants
28	Dutko Worldwide, LLC	Eisai, Inc.
29	Federal Advocates, Inc.	City of Garden Grove

Appendix II: Full List of Sampled Registrants and Clients

	Registrant Name	Client Name
30	Federal Advocates, Inc.	City of Thousand Oaks
31	Ferguson Group	American Waterfront Revitalization Coalition
32	Ferguson Group	Northern California Power Agency
33	Fox Potomac Resources, LLC	Shaw Group
34	Furchtgott-Roth Economic Enterprises	IDT Corporation
35	The Gallatin Group	College of Southern Idaho
36	Hogan & Hartson, LLP	Houghton Freeman
37	HSBC GR-CORP	HSBC GR-CORP
38	Hurt, Norton & Associates, Inc	Sierra Nevada Corporation
39	Hurt, Norton & Associates, Inc.	Savannah Airport Commission
40	Innovative Federal Strategies, LLC	Cerus Corporation
41	Institute of Scrap Recycling Industries, Inc.	Institute of Scrap Recycling Industries, Inc.
42	Intuit, Inc.	Intuit, Inc.
43	Jamison and Sullivan, Inc.	Flight Landata
44	JCP Associates	New College of Florida Research Foundation
45	John Hancock Financial Services, Inc.	John Hancock Financial Services, Inc.
46	Kelley Drye & Warren	Fisheries Survival Fund
47	Kirkpatrick & Lockhart Preston Gates Ellis, LLP (K&L Gates)	Advanced Diamond Technologies, Inc.
48	Kirkpatrick & Lockhart Preston Gates Ellis LLP (K&L Gates)	T2 Biosystems, Inc.
49	Kirkpatrick & Lockhart Preston Gates Ellis LLP (K&L Gates)	Apollo Diamond
50	KSA Consulting	Airship Management
51	The Livingston Group, L.L.C.	Southern Shrimp Alliance
52	Locke Lord Strategies, LP	Louisiana Sheriff's Association
53	Maine Street Solutions, LLC	Health Net Federal Services, LLC
54	Mayer Brown, LLP	Edison Mission Energy
55	McBee Strategic Consulting, LLC	Suquamish Tribe
56	McDermott Will & Emery, LLP	Magee-Womens Hospital of University of Pittsburgh Medical Center
57	The McManus Group	Pharmaceutical Research and Manufacturers of America
58	Miller/Wenhold Capitol Strategies, LLC	Chuckals Office Products
59	Mitch Rose Strategic Consulting	The Motion Picture Association of America

Appendix II: Full List of Sampled Registrants and Clients

	Registrant Name	Client Name
60	Morgan Meguire, LLC	Energy Northwest
61	Mr. David M. Weiman	Cucamonga County Water District
62	Muroff Government Strategies, LLC	Jewish Employment & Vocational Services on behalf of Duane Morris Government Affairs
63	Murray, Montgomery and O'Donnell	Housing Authority of the County of Santa Clara
64	National Association of Chain Drug Stores	National Association of Chain Drug Stores
65	National Association of Student Financial Aid Administrators	National Association of Student Financial Aid Administrators
66	Natural Resource Results, LLC	Wild Salmon Center
67	The New England Council	The New England Council
68	Nusgart Consulting, LLC	Abbott Nutrition (formerly Ross Products Div of Abbott Laboratories)
69	Oldcastle Materials, Inc.	Oldcastle Materials Inc.
70	Olsson Frank Weeda Terman Bode Matz, PC	Ocean Beauty
71	The Pennsylvania Avenue Group	Continental Tire North America
72	The PMA Group	Comtech Systems Inc
73	The PMA Group	Conemaugh Health Systems
74	The PMA Group	General Dynamics
75	The PMA Group	Malibu Research
76	Potomac Partners DC	MJM Enterprises
77	Public Lands Council	Public Lands Council
78	Reed Smith, LLP	Eclipse Surgical Technologies, Inc.
79	Robert L. Redding, Jr.	Automotive Service Association
80	Ryberg and Smith, LLC	International Sugar Trade Coalition
81	S & J Government Consulting Services, LLC	Creative Thermal Solutions, Inc.
82	Saks Incorporated	Saks Incorporated
83	Secular Coalition for America	Secular Coalition for America
84	Sheffield Brothers	Independent Community Bankers of America
85	The Sheridan Group	HopeLab
86	Smith Dawson & Andrews	City of Sacramento
87	Sonnenschein Nath & Rosenthal, LLP	Alabama Institute for the Deaf and Blind
88	Sonnenschein Nath & Rosenthal, LLP	Fidelis SeniorCare
89	Strategic Marketing Innovations	Agile RF

**Appendix II: Full List of Sampled Registrants
and Clients**

	Registrant Name	Client Name
90	Thomas Loftus	DNV
91	Thompson Smitch Consulting	Chelan County PUD
92	Triad Strategies, LLC.	Inglis Foundation
93	Troutman Sanders Public Affairs Group, LLC	Montgomery Watson/Khafra
94	United Motorcoach Association	United Motorcoach Association
95	Van Fleet Associates, Inc.	Kirk Pharmaceuticals
96	Van Ness Feldman, A Professional Corporation	International Bottled Water Association
97	Van Scoyoc Associates, Inc.	Knowledge Learning Corporation
98	Van Scoyoc Associates, Inc.	National Urban League
99	Venable, LLP	Experian, Inc.
100	Wiley Rein, LLP	Satellite Industry Association

Source: Lobbying disclosure database of the Clerk of the House, first quarter, calendar year 2008.

Appendix III: Comments from the Department of Justice



U.S. Department of Justice

Jeffrey A. Taylor
United States Attorney

District of Columbia

*Judiciary Center
555 Fourth St., N.W.
Washington, D.C. 20530*

September 24, 2008

George H. Stalcup
Director, Strategic Issues
Government Accountability Office
441 G Street, NW
Washington, DC 20548

Re: Lobbying Disclosure Act

Dear Mr. Stalcup:

Thank you for the opportunity to comment on your report titled Lobbying Disclosures "Observations on Lobbyists Compliance with New Disclosures Requirements." This is a thoughtful and comprehensive report of the enforcement issues related to the Lobbying Disclosure Act (the Act) that will certainly enhance our efforts in this area.

We consider enforcement of the Act an important and unique responsibility of this office. However, our commitment to this area has been balanced against the demands of our other criminal and civil matters. In fact, as the report notes in recent years this office has committed significant resources to following up with lobbyists referred to this office by the United States Senate ("Senate") and the House of Representatives ("House") for violations of the Act. Given our varied responsibilities as the Nation's largest United States Attorney's Office, we respectfully submit that we have devoted appropriate attention to enforcing the Act. Indeed, as the referrals from the Senate and House have increased, we have worked to develop methods to efficiently carry out our responsibilities under the Act.

We appreciate your recommendation that we "continue to develop a structured approach to focus limited resources on lobbyists who continually fail to file as required or otherwise fail to comply with the Act." Indeed, the office has begun to organize referrals from past years to identify trends in past compliance matters. As part of this process we plan to revamp


**Appendix III: Comments from the
Department of Justice**

Mr. George H. Stalcup
Page 2

our computer data base to better track this information. We also have assigned a paralegal to among her other duties work on these cases with the team already working on them. These enhancements should allow us to continue to develop the more structured approach that your report recommends.

Please feel free to contact us if you have additional questions or comments.

Sincerely,


JEFFREY A. TAYLOR
United States Attorney
District of Columbia

Appendix IV: GAO Contacts and Staff Acknowledgments

GAO Contact

George Stalcup, 202-512-9490, or stalcupg@gao.gov

Acknowledgments

In addition to the contacts named above, Robert Cramer, Associate General Counsel; Bill Reinsberg, Assistant Director; Michael Volpe, Assistant General Counsel; Katrina Taylor, Analyst-in-Charge; Christopher Backley; Ellen Grady; Anna Maria Ortiz; Melanie Papasian; Sabrina Streagle; and Greg Wilmoth made key contributions to this report.

Assisting with lobbyist's file reviews and interviews were Stephen Ander, Amy Bowser, Dewi Djunaidy, Daniel Dunn, Karin Fangman, Melanie Helser, Ashleigh Kades, Olivia Leonard, Andrea Levine, Ryan Little, Mary Martin, Jeff McDermott, Jackie Pontious, Wes Sholtes, A.J. Stephens, and Tammy Stenzel.

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 Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "E-mail Updates."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office
441 G Street NW, Room LM
Washington, DC 20548

To order by Phone: Voice: (202) 512-6000
TDD: (202) 512-2537
Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

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

Congressional Relations

Ralph Dawn, Managing Director, dawnr@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