



STATE OF CONNECTICUT
STATE ETHICS COMMISSION

ADVISORY OPINION NUMBER 86-14

Lobbyist Reporting of Expenditures Unrelated to Lobbying

Two registered lobbyists have asked whether subsection 1-96(b) of the Code of Ethics for Lobbyists (Chapter 10, Part II, General Statutes) requires that they disclose to the Ethics Commission the names of public officials, or members of public officials' staffs or immediate families, who were guests at the registrants' wedding reception.

Subsection 1-96(b), General Statutes, in pertinent part requires that each registrant's lobbyist "...financial report shall include an itemized statement of each expenditure of fifteen dollars or more per person for each occasion made by the reporting registrant or a group of registrants which includes the reporting registrant for the benefit of a public official in the legislative or executive branch, a member of his staff or immediate family, itemized by date, beneficiary, amount and circumstances of the transaction."

The registrants take the position that the above reporting requirement should apply only if the "occasion" is in furtherance of lobbying. Additionally, they propose that if events such as weddings are found to constitute reportable occasions under the Code, they be allowed to offset the value of gifts received from potential reportable beneficiaries against the value of food and drink furnished to these same individuals in order to determine what, if any, reportable benefits these guests actually received.

A fundamental rule of statutory interpretation, consistently applied to administrative decisions by the Connecticut courts, requires that "...if the language of the statute is clear, it is assumed that the words themselves express the intent of the legislature...and thus there is no need to construe the statute." State of Connecticut v. John Smith, 194 Conn. 213 at 221 (1984). From its inception in 1977, the Ethics Commission has found the statutory provision at issue to be clear as it relates to the question at hand, since it is completely devoid of any language requiring that the expenditures be in furtherance of lobbying to be reportable. As a result, the Commission has required the itemized disclosure of each expenditure which meets or exceeds the statutory threshold and benefits a public official, or member of the official's staff or immediate family, regardless of whether the underlying occasion or transaction relates to or is in furtherance of lobbying.

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In essence, the General Assembly has established a system mandating detailed disclosure of all significant expenditures by those who are lobbyists for occasions or transactions that personally benefit, or might influence, the senior State officials who, as a class, are the focus of the lobbyists' efforts. Individuals registered as lobbyists are required to report these expenditures, even when unrelated to their lobbying, by virtue of their unique status as paid representatives of special interests attempting to influence important State actions. (Similarly, the Code prohibits a registrant from giving to any State employee, public official, candidate for public office, or a member of such individual's staff or immediate family any gift or gifts that amount to fifty dollars or more in value in the aggregate in a calendar year, without reference to whether the gift is given in furtherance of lobbying. Subsection 1-97(a), General Statutes. A reciprocal provision in the Code of Ethics for Public Officials (Chapter 10, Part 1, General Statutes) prohibits a member of one of the enumerated classes of individuals from accepting any gift or gifts known to amount to fifty dollars or more in value in any calendar year from a person known to be a registrant or anyone known to be acting on behalf of a registrant, again regardless of whether or not the gift is being offered in furtherance of lobbying. Subsection 1-84(j), General Statutes.)

In implementing its understanding of the reporting provision in question, the Commission has consistently promulgated lobbyist forms and instructions which call for the itemized reporting of all expenditures which are above the threshold amount and benefit a listed individual; and, with equal consistency, has provided for the segregation, on the lobbyist financial report forms, of those expenditures which are personal and unrelated to lobbying. Most significantly, this reporting system has been formalized in the Commission's Regulations, which state, in pertinent part, that the financial reports of all registrants "... shall include a detailed statement of each expenditure, valued at fifteen dollars or more per person per occasion or transaction, made for the benefit of a public official or a member of a public official's staff or immediate family, reporting in a separate block those personal expenditures for the benefit of a public official, his or her staff or family, unrelated to lobbying." Subsection 1-92-48(b), Regulations of Connecticut State Agencies. Since in Connecticut agency regulations have no legal effect until approved by the Legislative Regulations Review Committee (L.R.R.C.), and since the regulation in question, in one form or another, has been repeatedly ratified by the L.R.R.C. (most recently, in its present form, on February 26, 1986), it is only logical to conclude that the

Ethics Commission's interpretation of the reporting provision at issue reflects the intent of the General Assembly in this matter.

The Code does not allow a registrant to offset the value of gifts received from public officials, or members of public officials' staffs or immediate families, against the value of food and drink provided to these same individuals when determining what, if any, reportable expenditures have been made incident to a particular occasion. In the past, the Commission staff has instructed registrants that when, for example, a lobbyist and a public official agree to split the cost of their lunch equally, there has been no reportable expenditure for the benefit of the public official under the Code and Commission Regulations. The equal contributions to the payment of the bill are allowed to balance each other, regardless of the cost of each individual's meal. As a result, there is no reportable transfer of economic benefit from the lobbyist to the public official. However, it is not appropriate to extend this reasoning to occasions such as weddings, birthdays, etc. In these instances a guest does not agree to provide a gift in order to attend, nor is a gift being given as full or partial payment for the food and drink received. On the contrary, by definition a gift is "...something that is voluntarily transferred by one person to another without compensation...". Webster's Third New International Dictionary at p.956, G. and C. Merriam Co. (1971). Given the fact that the provision of food and drink at a wedding reception and the giving of a wedding gift are not acts contingent on each other, it is not possible to avoid the Code's definition of expenditure (subsection 1-91(f), General Statutes) by attempting to equate artificially these two related but distinct transfers of benefit.

In summary, the itemized reporting requirements of subsection 1-96(b), General Statutes, apply with equal force regardless of whether the occasion or transaction in question is in furtherance of lobbying or totally unrelated to lobbying. The only determinants are the status of the donor as a lobbyist and the donee as a public official, or member of an official's staff or family. In determining what expenditures need be reported under this provision incident to a particular occasion, the Code does not allow a lobbyist to offset the value of gifts received from potentially reportable beneficiaries against the value of food and beverage provided to these same individuals.

By order of the Commission,


Julie Peck
Chairperson

Dated Dec 15, 1986

