



## LOBBYING EDUCATION

**KATHLEEN EDWARDS**  
NC STATE ETHICS COMMISSION

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## OVERVIEW

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- I. GENERAL OVERVIEW OF COMMISSION & ETHICS ACT
- II. GIFT BAN & GIFT BAN EXCEPTIONS
- III. MISCELLANEOUS LOBBYING LAW RESTRICTIONS
- IV. REGISTRATION REQUIREMENTS
- V. REPORTING
- VI. LOBBYING LAW COMPLAINTS & ADVICE

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## ETHICS ACT--HISTORY

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- "The purpose of This Chapter Is To Ensure That Elected & appointed State agency officials exercise their authority
- Honestly & Fairly,
- Free from Impropriety, Threats, Favoritism, and Undue Influence."

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## HISTORY-ETHICS COMMISSION

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- 2006: Passage of Act
- 2007-2010: Interpreting and Refining
- 2017: Merged with Elections on 10-year Anniversary
- 2019: Demerged, Rebuilding

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## ETHICS COMMISSION

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### ETHICS COMMISSION

- 8 Members (4R, 4D)
- 4 by Governor (2D, 2R)
- 4 by Speaker/PPT (2D, 2R)
- 4 Year Terms
- Executive Director Appointed by Board
- Governor Names Board Chair Annually
- Quorum = 5 Members
- Quarterly Meetings Required

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## ETHICS COMMISSION MEMBERS

William H. Freeman (D), Chair  
Winston-Salem, NC  
Appointed by: Governor  
Term Expires: 12/31/2025

Thomas Jeffrey Keith (R), Vice Chair  
Winston-Salem, NC  
Appointed by: Governor  
Term Expires: 12/31/2025

James L. Baker (R)  
Marshall, NC  
Appointed by: Governor  
Term Expires: 12/31/2023

Carrie B. Cook (D)  
Charlotte, NC  
Appointed by: Governor  
Term Expires: 12/31/2023

Francis De Luca (R)  
Wilmington, NC  
Appointed by Senate Pro Tempore  
Term Expires: 12/31/2026

Dr. Clarence G. Newsome (D)  
Mint Hill, NC  
Appointed by: Senate Pro Tempore  
Term Expires: 12/31/2024

Carl J. Stewart (D)  
Gastonia, NC  
Appointed by: Speaker  
Term Expires: 12/31/2024

Thomas Roger West (R)  
Marble, NC  
Appointed by: Speaker  
Term Expires: 12/31/2026

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## FUNCTIONS OF THE ETHICS COMMISSION--ETHICS ACT

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I. Financial Disclosure—Receive & Evaluate Statements of Economic Interest

II. Educate Persons Subject to Act

III. Provide Advice to Persons Subject to Act  
 A. Conflicts of Interest  
 B. Acceptance of Gifts  
 C. Miscellaneous Restrictions

IV. Receive and Investigate Complaints

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Ethics Act Obligations of Covered Officials and Employees

### Public Officials and Employees Subject to Ethics Act

	Conflicts of Interest	No Gifts—Lobbyists & Lobbyist Principals	No Gifts—Journalists	No Gifts—Members of General Assembly	No Gifts—State Employees	May Request Advice	Ethics Education Req	Complaint Investigated	Training Conducted
Judicial Officers (579) Judges, D.A.s, Clerks	*	*	*	*	*	*	*	*	*
Legislators (170)	*	*	*	*	*	*	*	*	*
Legislative Employees (253)	*	*	*	*	*	*	*	*	*
Public Servants Employees (1078)	*	*	*	*	*	*	*	*	*
Constitutional Officers and their	*	*	*	*	*	*	*	*	*
Chief Deputies/Administrative Assts.	*	*	*	*	*	*	*	*	*
Confidential Assts./Secretaries	*	*	*	*	*	*	*	*	*
Governor's Office Employees	*	*	*	*	*	*	*	*	*
Exempt Employees as Designated by Gov.	*	*	*	*	*	*	*	*	*
Heads of Principal Departments and their	*	*	*	*	*	*	*	*	*
Chief Deputies/Administrative Assts.	*	*	*	*	*	*	*	*	*
Confidential Assts./Secretaries	*	*	*	*	*	*	*	*	*
Policymaking Exempt Employees and their	*	*	*	*	*	*	*	*	*
Confidential Secretaries	*	*	*	*	*	*	*	*	*
Judicial Employees (as designated by CJ)	*	*	*	*	*	*	*	*	*
Public Servants Boards (287 Boards)	*	*	*	*	*	*	*	*	*
Voting Members (2212)	*	*	*	*	*	*	*	*	*
State Ethics Commission Members (8)	*	*	*	*	*	*	*	*	*
University System (372)	*	*	*	*	*	*	*	*	*
Board of Governors – Voting (24)	*	*	*	*	*	*	*	*	*
System President and Vice-Presidents (16)	*	*	*	*	*	*	*	*	*
Univ. Chancellor & Vice-Chan. (113)	*	*	*	*	*	*	*	*	*
Univ. Trustees – Voting Members (119)	*	*	*	*	*	*	*	*	*
NC Community College System (894)	*	*	*	*	*	*	*	*	*
State Board – Voting Members (22)	*	*	*	*	*	*	*	*	*
Pres. & Chief Financial Officer NCCCS	*	*	*	*	*	*	*	*	*
Pres. & Chief Financial Officer & Chief Administrative Officer (174)	*	*	*	*	*	*	*	*	*
CC Trustees – Voting Members (696)	*	*	*	*	*	*	*	*	*
Other Public Servants	*	*	*	*	*	*	*	*	*
Contractor working in covered position	*	*	*	*	*	*	*	*	*
REPS/MSRP (688)	*	*	*	*	*	*	*	*	*

Revised 1/1/22 A-3

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## ROLE OF THE ETHICS COMMISSION-LOBBYING LAW

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### INTERPRETATION

Issue Informal & Formal Advisory Opinions  
 Chapter 120C

Adopt Rules

### EDUCATION

Conduct Lobbying Education

### INVESTIGATION

Investigate Alleged Violations of Lobbying Law, Including:  
 > Gift Ban  
 > "Cooling Off" Period  
 > Misc. Restrictions

Refer to Secretary of State:  
 > Registration  
 > Reporting

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## 10 GIFT BAN & GIFT BAN EXCEPTIONS

- When & to Whom Does Gift Ban Apply?
- What Are the Exceptions?

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## GIFT BAN: UNLESS THERE IS AN EXCEPTION

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### LOBBYISTS & LOBBYIST PRINCIPALS

Cannot Knowingly Give a Gift (Directly or Indirectly) To "Designated Individuals"

- Legislators
- Legislative Employees
- Public Servants

### LIAISON PERSONNEL

Cannot Knowingly Give a Gift (Directly or Indirectly) To:

- Legislators
- Legislative Employees

### "INTERESTED PERSONS"

Designated Individual Cannot Knowingly Accept Gift, (Directly or Indirectly), from:

- Interested Person



Gift Ban Applies 24/7/365

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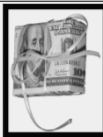
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## WHAT IS A "GIFT"?

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- "Anything of Monetary Value"
- Given Without Valuable Consideration
- Gift Ban Applies to Direct and Indirect Gifts

No De Minimis Exception



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## WHAT IS A "GIFT"?

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- Gift Ban Applies Where A Designated Individual is the Ultimate Recipient
- It Does Not Apply to Gifts to State Entities for Official Use
  - ✓ Equipment
  - ✓ Furniture
  - ✓ Conference Space



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## WHAT IS NOT A "GIFT"?

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- Paid Fair Market/Face Value
- Loans With Same Terms As Commercially Available
- Other "Arms Length" Contractual or Commercial Arrangements
- Items Reported Under Election Law
- Certain Expressions of Condolence
- Cards, Letters, Notes, E-mails, etc.



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## "INDIRECT GIFTS"

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Restricted Donor  
May Not Give Gift



To An Intermediary



With the Intent That *ANY* Designated Individual  
Be An Ultimate Recipient  
(Unless Exception Applies)

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**WHO ARE DESIGNATED INDIVIDUALS?**

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LEGISLATIVE	EXECUTIVE "Public Servants"
 <ul style="list-style-type: none"> <li>Legislators</li> <li>Legislative Employees</li> </ul>	 <ul style="list-style-type: none"> <li>Governor</li> <li>Lt. Governor</li> <li>Council of State</li> <li>Cabinet Secretaries</li> <li>Governor's office employees</li> <li>Policy-making positions, chief deputies, confidential assistants</li> <li>Certain managerial positions</li> <li>Others designated by Governor</li> <li>Certain UNC System &amp; community college officials &amp; trustees; Board of Governors</li> <li>Members of State Boards</li> </ul>

List available on Commission's website at [www.ethicscommission.nc.gov](http://www.ethicscommission.nc.gov) or by calling (919) 814-3600

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**GIFT BAN EXCEPTIONS \*\***  
**N.C.G.S. §138A-32(f)**

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- FOOD & BEVERAGES FOR "IMMEDIATE CONSUMPTION"
- MEETING & CONFERENCE EXPENSES
- GIFTS TO NON-PARTISAN ORGANIZATIONS
- INFORMATIONAL MATERIALS
- GIFTS TO FAMILY, FRIENDS, OTHERS

\*\*Even if Allowed by Exception, May Still Be Reportable

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**FOOD & BEVERAGES:**  
**Open Meetings & Gatherings Open to Public**  
N.C.G.S. §138A-32(f)(1)

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**Food & Beverages for "Immediate Consumption" (No Entertainment)**

**Open Meeting of Public Body**  
Properly noticed under the Open Meetings Law  
N.C.G.S. §138A-32(f)(1)a.

**Gathering Open to the General Public**  
✓ 10 or more attendees  
✓ Sign or other Communication Outside Gathering Indicating Open to the Public  
N.C.G.S. §138A-32(f)(1)b.

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**FOOD & BEVERAGES:**  
**Specific Invitees**  
**N.C.G.S. §138A-32(f)(1)c**



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Food & Beverages for Immediate Consumption

Invite "Qualifying Group"

- All House or Senate members;
- All Members of County or Municipal Legislative Delegation;
- Recognized Caucus;
- Committee/Commission of General Assembly;
- All Legislative Employees; or
- Public Servant's Entire Board or at Least 10 Public Servants.

**AND**

At Least 10 People *Associated With Sponsor(s)* Attend; or All Shareholders, Employees, Bd. Members, Officers, Members, Subscribers Located in NC are Invited.

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**FOOD & BEVERAGES: INVITE**

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- Written Notice by **At Least One Sponsor** to All Members Of **At Least One** of the Qualifying Groups (E-Mail Permitted)
- Sent 24 Hours in Advance
- Include Date, Time & Location of Event
- Include Statement That "Gathering Permitted" Under Section

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**FOOD & BEVERAGES**  
**"Official Duty" for Public Servants**  
**N.C.G.S. §138A-32(f)(12)**

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- Food & Beverages for Immediate Consumption
- Organized gathering where
  - ✓ Public Servant's Attendance is Primarily Related to Public Position and
  - ✓ 10 Individuals other than Public Servant or Immediate Family Attend or
  - ✓ Certain Individuals connected with Sponsor(s) in Specific NC Office or County are Notified & Invited.



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**MEETINGS & CONFERENCES**  
N.C.G.S. §138A-32(f)(3)(i)-(iv)

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<p>Lobbyist Principal (not Lobbyist or Interested Person)</p> <p>➤ Can Pay Reasonable Actual Expenditures for Food &amp; Beverages, Travel, Registration, Lodging, Incidental Items of Nominal Value, Incidental Entertainment.</p>	<p>➤ Categories of Meetings:</p> <ul style="list-style-type: none"> <li>✓ "Educational" Meeting (primarily related to public duties; see 30 NCAC 07C .0101 );</li> <li>✓ Designated Individual is a "bona fide speaker or panel member";</li> <li>✓ Attendance at Meeting of Nonpartisan Organization Where Agency is a Member or Designated Individual a Member Due to Public Position.</li> </ul>
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**MEETINGS & CONFERENCES**

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<p>➤ Meeting has Formal Agenda, Notice Given at Least 10 Days in Advance, and Attended by at Least 10 Participants</p> <p>➤ Food, Beverage, Transportation &amp; Entertainment Must Be:</p> <ul style="list-style-type: none"> <li>✓ Provided to All Attendees or Defined Groups of 10 or More; and,</li> <li>✓ Part of or In Conjunction with Meeting</li> </ul> <p>➤ Entertainment Must be Incidental to the Principal Agenda</p>
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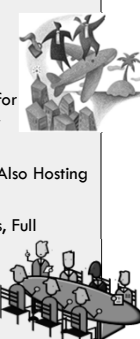
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**WHAT IS AN "EDUCATIONAL" MEETING?**

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Commission-Adopted Criteria Considers:

- The Type of Individual or Entity Hosting Meeting?
- Primary Purpose to Influence Or to Promote Learning for Professional Improvement Notwithstanding a Particular Executive or Legislative Action?
- Is Lobbyist Principal Paying for Meeting Expenditures Also Hosting the Meeting?
- Meeting Agenda/Length (Diverse Topics and Speakers, Full Agenda, Limited Entertainment and Meals)?
- Location (Raleigh, NYC, Fiji)?



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**MEETINGS & CONFERENCES**

Reimbursable Expenses for Public Servants  
N.C.G.S. §138A-32(g)



25

Applies ONLY to Public Servants & NOT legislators or legislative employees.

- Any Expense That Would Otherwise Be Reimbursable by the State if
  - ✓ Public Servant Received Approval in Advance from Employing Entity to Accept the Expense on Behalf of the State
- Actual Expense May Exceed State Rate

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**INFORMATIONAL MATERIALS**

N.C.G.S. §138A-32(f)(2)

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➤ Informational Materials Relevant to Designated Individual's Public Duties

- ✓ Books
- ✓ DVDs
- ✓ Magazines
- ✓ Newspapers



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**FAMILY, FRIENDS, & OTHERS**

Extended Family  
N.C.G.S. §138A-32(f)(7)

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➤ Gifts to *Extended Family* Member

➤ Still Subject to Reporting



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**FAMILY, FRIENDS & OTHERS:****Other Relationships**  
**N.C.G.S. §138A-32(f)(10)**

28 Gifts based on Business, Civic, Religious, Fraternal, Personal, or Commercial Relationship Permitted if:

- Relationship is Not Related to the DI's Public Position and
- Reasonable Person Would Conclude not Given for "Lobbying"




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**Plaques & Non-Monetary Mementos****N.C.G.S. §138A-32(f)(4)**

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- A Plaque or Similar Non-Monetary Memento Recognizing Designated Individual's Services in a Field or Specialty or to a Charitable Cause




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**GIFT BAN REMINDERS**

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- Gift Ban Applies at All Times



- Commission May Designate other Boards and Commissions as Covered by the State Ethics Act
- Check the Commission's Website to Determine if Designated Individual = Covered by Gift Ban
- Even if Allowed to Give, May Need to Report

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## LOBBYING LAW MISCELLANEOUS RESTRICTIONS

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- Lobbyist Must Identify Him/Herself as a Lobbyist and Disclose Identity of LP Prior to Any Lobbying Communication or Activity With DI  
N.C.G.S. §120C-200(e)



- Lobbyist Cannot Accept a Fee Contingent Upon the Outcome of Lobbying  
N.C.G.S. §120C-300

- ✓ Exception for Salespeople Whose Regular Remuneration Agreement Includes Commissions Based on Sales



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## LOBBYING LAW OTHER RESTRICTIONS

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- Lobbyist Cannot Serve as Campaign Treasurer or Assistant Campaign Treasurer for a Political Committee for Legislator or Constitutional Officer  
N.C.G.S. §120C-304(d)

- Restrictions on Lobbyist Making Campaign Contributions to Legislative and Council of State Candidates  
N.C.G.S. §163-278.13C (Board of Elections)

- Restrictions on Lobbyist Principal PAC Contributions While General Assembly in "Regular Session" (until sine die or over 10-day adjournment)  
N.C.G.S. §163-278.13B (Board of Elections)

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## REGISTRATION

- Who Must Register?

- When Must Individuals Register?



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## Who Must Register?

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- ✓ Liaison Personnel
- ✓ Local Government Liaisons
- ✓ Lobbyists
- ✓ Lobbyist Principals
- ✓ Solicitors



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## LIAISON PERSONNEL MUST REGISTER

N.C.G.S. §120C-500, -501 and -502

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- State Employee
- Local Government Employee
- Engaged in Lobbying Legislators or Legislative Employees
  - ✓ NOT a "Lobbyist"
  - ✓ "Cooling Off" Period Does Not Apply. AO-L-11-005
  - ✓ State or Local Entity is NOT a Lobbyist Principal
  - ✓ Liaison Must Register and Report Gifts, Reportable Expenditures
  - ✓ Gift Ban Applies Only to Gifts from Liaison to Legislators and Legislative Employees



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## A "LOBBYIST" MUST REGISTER

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Who is a Lobbyist?

- Individual Who Engages in Lobbying
- For Payment\$\$

**\*\*Must Register Within One Business Day of Lobbying\*\*** N.C.G.S. §120C-200(a)

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**WHAT IS "LOBBYING?"****N.C.G.S. §120C-100(a)(17) a. and b.**

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**"Direct" Lobbying**

- Direct Communications or Activities
- With a Designated Individual or Immediate Family
- To Influence "Legislative" or "Executive" Action

**"Goodwill" Lobbying**

- Developing Goodwill Through Communications and Activities, Including the Building of Relationships
- With a Designated Individual or Immediate Family
- With the Intention of Influencing Current or "Legislative" or "Executive" Action



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**DESIGNED TO INFLUENCE "LEGISLATIVE ACTION"****N.C.G.S. §120C-100(a)(9)**

38

**Legislative Action:**

- Steps in the Legislative Process Taken by a Legislator or Legislative Employee:
  - ✓ Preparation – Introduction – Consideration – Passage or Rejection of
  - ✓ Bill – Resolution – Amendment – Motion
- Also Includes Consideration of any Bill by the Governor for Approval or Veto



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**DESIGNED TO INFLUENCE EXECUTIVE ACTION****N.C.G.S. §120C-100(a)(5)**

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**Executive Action:**

- Official Actions Taken by a Public Servant
  - ✓ Consider – Prepare – Approve – Postpone – Reject
  - ✓ Policy – Procedure – Guideline – Rule – RFP – Invitation for Bid



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## NOT "EXECUTIVE ACTION"

N.C.G.S. § 120C-100(a)(5)

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Actions Exempt from Definition of Executive Action Include:

- 150B Contested Case Proceedings
- Applying for a Permit, License, Determination of Eligibility, or Certification
- Inquiring about a Benefit, Claim, Right, Obligation, Duty, Entitlement, Payment, or Penalty
- Inquiring About or Responding to an Existing RFP
- Ratemaking



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## WHAT IS "PAYMENT?"

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➤ Firm-Employed Lobbyist – Employed by a Firm and Lobbies for Entity or Individual That Hired Firm N.C.G.S. §120C-100(a)(19)a.

➤ Contract Lobbyist – Contracts With Lobbyist Principal for Payment for Lobbying  
N.C.G.S. §120C-100(a)(19)b.



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## WHAT IS PAYMENT?

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➤ Employee Lobbyist – Employee And a "Significant Part" of Duties Include Lobbying

✓ Significant Part = Employee's Actual Duties Include Either

- ✓ 5% or More of Direct Lobbying in any 30-Day Period
- ✓ 5% or More of Goodwill Lobbying in any 30-Day Period



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## Persons Exempted

N.C.G.S. § 120C-700

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- Expressing A Personal Opinion & Not A "Lobbyist"
- By Invitation of Member of Committee or Board, No Further Lobbying Activities
- Person Responding to Inquiries from a Designated Individual, No Further Lobbying Activities
- Governmental Officials & Employees When Acting Solely in Connection with Matters Pertaining to Their Public Duties
- Persons Performing Professional Services in Drafting Bills or Advising on Effect of Official Action
- Political Committee as defined in N.C.G.S. §163-278.6(14)

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## WHAT MUST BE REPORTED?

- ✓ Reporting of Gifts
- ✓ Reporting of Other Reportable Expenditures for Lobbying
- ✓ Reporting of Payments for Services



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## WHAT DOES A LOBBYIST PRINCIPAL REPORT?

N.C.G.S. §120C-403(b)-(e)

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Lobbyist Principal Reports What the Principal Paid for (Including Items for which Lobbyist was Reimbursed):

- "Reportable Expenditures" for Gifts Over \$10 in Value to DI/Immediate Family Per Day
- Other "Reportable Expenditures" Made for Lobbying Over \$10 in Value Per DI/Immediate Family Per Day
- Payments to Lobbyists for Lobbying and for Certain Communications and Activities Used to Lobby
- Name of Each Person or Governmental Unit to Whom the Lobbyist Principal "Loaned" its Lobbyist

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**WHAT DOES A LOBBYIST PRINCIPAL REPORT?****N.C.G.S. §120C-400(b)**

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Do Not Need to Report Following Items Given to A State Agency as Long as Agency Maintains Public Record of Item:

- Cash



- Fixed Asset



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**WHAT REPORTABLE EXPENDITURES MUST BE REPORTED? N.C.G.S. §120C-403(b)**

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- **Gifts** Given to a DI or Immediate Family by a Lobbyist, Lobbyist Principal, or a Liaison Greater than \$10 per Individual per Calendar Day

- ✓ LP “(e)(10)” Gifts are Not Required to Be Reported Until the Value is Greater than \$200

- **Expenditures** Greater Than \$10/Day That Are Not Gifts (DI Not Beneficiary) But Are **Made for Lobbying**

- ✓ Made at the Request of or On Behalf of DI or DI’s Immediate Family Or

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**WHAT REPORTABLE EXPENDITURES MUST BE REPORTED?**

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Other Expenditures That Are Made for Lobbying

- Overhead Expenses Connected with Events Held for Lobbying 30 NCAC 10C.0302

- ✓ Planning and Organizing Services
  - ✓ Outside Printing Services
  - ✓ Facility Rental
  - ✓ Name Badges
  - ✓ Flowers and other Decorations



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## WHAT REPORTABLE EXPENDITURES MUST BE REPORTED?

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- Do Not Report Expenditures That Were “Promptly Paid for or Returned” by DI. N.C.G.S. 120C-401(k)
- If Already Reported, Report Return or Repayment on Next Report Due
- Designated Individual or Immediate Family Also Has Option of Reporting that Item was Paid for, Returned, or Donated to Charity. N.C.G.S. 120C-401(k)



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## REPORT DETAILS

N.C.G.S. §120C-401(b), (c), and (e)

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For Each Reportable Expenditure Must Include:

- Fair Market Value or Face Value of Expenditure
- The Date of the Expenditure
- A Description of the Expenditure 30 NCAC 10C.0104
- The Name and Address of the Payee or Beneficiary
- The Name of Any DI and That DI's Immediate Family Member Connected with the Expenditure (+15 exception)
- Category of Reportable Expenditure



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or information not sent regarding previous provisions for NCOS § 120C-401(b)(1).

**Name(s) of All Lobbyist(s) as Registered:**  
Include all lobbyists registered during any portion of this reporting period, including interim resignations/terminations.

**Part I: Reportable Expenditures**  
**Note:** If 15 or less designated individuals ("DIs") are benefited, list by name; if more than 15, list approximate number benefited and basis for their selection; i.e., the name of the legislative body, committee or caucus or the name of the public servant group whose membership list is a matter of public record under NCOS § 132-1, or some other description that clearly distinguishes the group's purpose or composition. If DIs' immediate family members are benefited, state separately. NCOS § 120C-401(c).

Expense Codes		GI	
TL	Transportation and Lodging	FB	Food and Beverages
EN	Entertainment	ME	Meetings and Events
		OT	Other

**Section A. Principal Made Directly**

Date	Description of Expenditure, Payee/Beneficiary and Address	Designated Individual(s) or Immediate Family Member(s) Benefited	*Exp. Code	Amount
Reportable Expenditures for Month/Quarter: (Do not reenter details for any previously reported monthly expenses. Previous monthly expenditures can be listed under "This Period's Subtotal" line.)				
<b>This Period's Subtotal (Must enter total amount)</b>				\$
If this is a quarterly report and you filed a...				\$

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**Part III. Event Reporting**  
(Use this page only if the principal has incurred event reportable expenditures.)

Please comply with the State Ethics Commission Rule, 30 NCAC 10C .0302 when completing Sections A or B for Event Reporting. This rule became effective on January 1, 2014.

**State Ethics Commission Rule 30 NCAC 10C .0302 REPORTABLE EXPENDITURES MADE FOR LOBBYING**  
(a) For purposes of NCGS 120C-402(b)(1) and 120C-403(b)(1), when reporting expenditures for events held for lobbying, the entire cost of the event must be reported, not just the "gift" given or provided to the designated individual(s) attending the event. Examples of non-gift reportable expenditures made for lobbying are expenses and charges incurred for items and/or services provided in connection with the lobbying event, such as planning and organizing services, printing services and supplies, facility rental and set-up charges, food supplies and services, name badges, flowers, and other decorations.  
(b) Reportable expenditures made for lobbying events shall be reported on the expense report filed with the Secretary of State for the month the lobbying event is held.

**Section A. Principal Paid for Event Directly**

Reportable Expenditures for Month/Quarter: (Do not reenter details for any previously reported monthly expenses. Previous monthly expenditures can be listed under "This Period's Subtotal" line.)

Event Date	Name of Event & Description of Expenditure Payee/Beneficiary and Address	Designated Individual or Immediate Family or Third Party Beneficiary	Expense Code	Total Cost of the Event Paid By Principal

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**ANNUAL REPORTING OF PAYMENTS TO A LOBBYIST FOR LOBBYING**  
N.C.G.S. §120C-403(d) and (e)

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In the Last Report a Lobbyist Principal Files for the Registration Year it Must Report the Cumulative Combined Total of All Payments to a Lobbyist for:

- Lobbying, Direct and Goodwill
- Communications and Activities by Lobbyist That Were Used to Lobby
  - ✓ Research
  - ✓ Drafting of Written Communications
  - ✓ Monitoring of Proposed or Pending Legislative or Executive Action
  - ✓ Time Spent Advising and Rendering Opinions to LP as to Construction and Effect of Proposed or Pending Legislative or Executive Action

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**INFORMAL ADVICE vs. FORMAL ADVISORY OPINIONS**

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	INFORMAL ADVICE	FORMAL ADVISORY OPINION
<b>Request</b>	Written or Verbal	Must be Written
<b>Advice</b>	Issued by Staff	Issued by Commission
<b>Confidential</b>	Yes	Yes
<b>Immunity</b>	No	Yes
<b>Redacted Advice Published</b>	No	Yes <ul style="list-style-type: none"> <li>➤ Must Publish on Website in Edited Format.</li> </ul>

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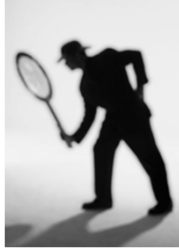
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## INVESTIGATIONS & VIOLATION CONSEQUENCES



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## JURISDICTION

N.C.G.S. § 120C-601 through -603

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### Commission:

- Investigate Complaints of Violations of Ch. 120C, Except for Matters Related Solely to Articles 2, 4, & 8

### Secretary of State:

- Perform Systematic Reviews of Reports Filed by L & LP
- Investigate Complaints of Violations Related Solely to Articles 2, 4, & 8

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## Violation Consequences

N.C.G.S. § 120C-602

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### Criminal

- Class 1 Misdemeanor for:
  - ✓ Failure to Register (Art. 2)
  - ✓ Violation of Gift Ban
  - ✓ Miscellaneous Prohibitions/Restrictions in Art. 3
- If Convicted, Cannot Lobby for 2 Years

### Civil

- Civil Fines for Violations of Ch. 120C Up to \$5,000/Violation

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## UNTIMELY FILING

### 120C-401(g) and (h)

- Failure to Timely File
  - ✓ Secretary of State Must Send Certified Letter
  - ✓ 20 Days to File Report and Pay Late Fee of \$50/day – Maximum of \$500
- Failure to File after Notice Voids Registration



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## ETHICS COMMISSION

### Contact Information

<b>Location:</b> ➤ 424 N. Blount Street Raleigh, NC 27601-1010  <b>Mailing Address:</b> ➤ 1324 Mail Service Center Raleigh, NC 27699-1324	<b>Phone:</b> ➤ (919) 814-3600  <b>Email:</b> ➤ <a href="mailto:ethics.commission@ethics.nc.gov">ethics.commission@ethics.nc.gov</a>
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**Website:** [www.ethicscommission.nc.gov](http://www.ethicscommission.nc.gov)

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