



LOBBYING EDUCATION: PART I

KATHLEEN EDWARDS
NC STATE ETHICS COMMISSION

- I. STATUS: PROPOSED TRANSFER OF ETHICS COMMISSION TO BIPARTISAN STATE BOARD OF ELECTIONS AND ETHICS ENFORCEMENT (“BSBEEE”)
- II. GENERAL OVERVIEW OF COMMISSION & ETHICS ACT
- III. REQUESTING ADVICE
- IV. GIFT BAN & GIFT BAN EXCEPTIONS
- V. ADDITIONAL PROHIBITIONS & RESTRICTIONS APPLICABLE TO LOBBYISTS

ETHICS ACT--HISTORY

3

- “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.”

10 YEAR HISTORY-ETHICS COMMISSION

4

- 2006: Passage of Act
- 2007-2010: Refining
- Commission Today

ETHICS/BSBEEE-COMPARISON

5

ETHICS COMMISSION

- 8 Members (4R, 4D)
- 4 by Governor (2D, 2R)
- 4 by Speaker/PPT (2D, 2R)
- 4 Year Terms

BSBEEE (In Litigation)

- 8 Members (4R, 4D) eff. 7/1/2017
(Current SEC Members 1/1/17 to 6/30/17)
- 4 by Governor (2D, 2R)
Selected from 3 nominees by Party
- 2 each by Speaker/PPT (1D, 1R)
Selected from 3 nominees by
Majority & Minority Leaders
- 4 Year Terms

ETHICS/BSBEEE-COMPARISON

6

ETHICS COMMISSION

- Executive Director Appointed by Board
- Governor Names Board Chair Annually
- Quorum = 5 Members
- Simple Majority Vote Required
- Quarterly Meetings Required

BSBEEE (In Litigation)

- Acting Executive Director Serves Until New Board Appoints ED to 4-Year Term
- Chair Selected by Board Annually
 - D Member Serves Odd Years
 - R Member Serves Even Years
- Quorum = 6 Members
- 6+ Members Required
- Monthly Meetings Required

ROLE OF THE ETHICS COMMISSION--ETHICS ACT

7

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. Use of Title in Advertising

IV. Receive and Investigate Complaints

ROLE OF THE ETHICS COMMISSION-LOBBYING LAW

8

INTERPRETATION

Issue Informal & Formal Advisory Opinions
Chapter 138B, Article 8 (former Chapter 120C)

Adopt Rules Necessary to Interpret Article 8

Adopt Rules Necessary to Administer Part 2, 4, 5

EDUCATION

Conduct Lobbying Education &
Newsletters

INVESTIGATION

Investigate Alleged Violations
of Lobbying Law, Including:

- Gift Ban
- “Cooling Off” Period
- Misc. Restrictions

Refer to Secretary of State:

- Registration
- Reporting

INFORMAL ADVICE vs. FORMAL ADVISORY OPINIONS

9

	INFORMAL ADVICE	FORMAL ADVISORY OPINION
Request	Written or Verbal	Must be Written
Advice	Issued by Staff	Issued by Commission
Confidential	Yes	Yes
Immunity	No	Yes
Redacted Advice Published	No	Yes ➤ Must Publish on Website in Edited Format.

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

GIFT BAN: UNLESS THERE IS AN EXCEPTION

11

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



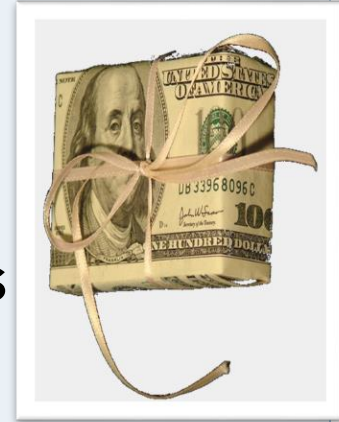
Gift Ban Applies 24/7/365

WHAT IS A “GIFT”?

12

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

No De Minimis Exception



WHAT IS A “GIFT”?

13

➤ Entertainment



➤ Professional Services



WHAT IS A “GIFT”?

14

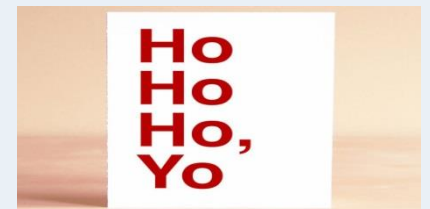
- Gift Ban Applies Where A Designated Individual is the Ultimate Recipient
- It Does Not Apply to Gifts to State Entities for Official Use
 - ✓ Equipment
 - ✓ Furniture
 - ✓ Conference Space



WHAT IS NOT A “GIFT”?

15

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



“INDIRECT GIFTS”

16

Restricted Donor
May Not Give Gift



To An Intermediary,
Including State



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

WHO ARE DESIGNATED INDIVIDUALS?

17

LEGISLATIVE



- Legislators
- Legislative Employees

EXECUTIVE

“Public Servants”



- Governor
- Lt. Governor
- Council of State
- Cabinet Secretaries
- Governor’s office employees
- Policy-making positions, chief deputies, confidential assistants
- Certain managerial positions
- Others designated by Governor
- Certain UNC System & community college officials & trustees; Board of Governors
- Members of State Boards

WHO ARE DESIGNATED INDIVIDUALS?

18

List available on Commission's website at

www.ethicscommission.nc.gov

or by calling (919) 814-3600

The screenshot displays the North Carolina State Ethics Commission website. The header features the commission's name and logo. A navigation bar includes links for Home, Advisory Opinions, Complaints, Education, Laws & Rules, News, Statements of Economic Interest, About Us, and Coverage. The main content area is titled 'Covered Persons' and explains the commission's duty to publish a list of designated individuals. It provides a list of categories with links to more information, including Legislative Employees, Legislators, Judicial Officers, and Public Servants. A 'More Information' sidebar on the right lists additional resources like Introduction, Covered Boards, and General Categories of Covered Persons. A footer contains copyright information and contact links.

NORTH CAROLINA STATE
ETHICS
COMMISSION

Home Advisory Opinions Complaints Education Laws & Rules News Statements of Economic Interest About Us Coverage

home > coverage > covered persons

Coverage

Covered Persons

The Commission must identify and publish at least quarterly a listing of the names and positions of all persons subject to Chapter 138A, the State Government Ethics Act, as covered persons or legislative employees. N.C.G.S. §138A-11. The most recent version of that list follows:

- ▶ [Legislative Employees](#)
- ▶ [Legislators](#)
 - House of Representatives Members 2011-2012
 - Senate Members 2011-2012
- ▶ [Judicial Officers](#)
- ▶ [Public Servants - Judicial Employees](#)
- ▶ [Public Servants - Executive Branch, University, and Community College Employees](#)
- ▶ [Public Servants - Members of State Boards and Commissions, including University and Community College Boards of Trustees](#)

PLEASE NOTE: This is a "snapshot" of covered persons and legislative employees. People are added to and removed from these lists on a regular basis. For the most current information available, please contact the Ethics Commission Staff or the person's "Employing Entity".

More Information

- ▶ [Introduction](#)
- ▶ [Covered Boards](#)
- ▶ [General Categories of Covered Persons](#)
- ▶ [Covered Persons](#)
 - ▶ [Legislative Employees](#)
 - ▶ [Legislators](#)
 - ▶ [House 2011-2012](#)
 - ▶ [Senate 2011-2012](#)
 - ▶ [Judicial Officers](#)
 - ▶ [Public Servants - Judicial Employees](#)
 - ▶ [Public Servants - Executive Branch, University, and Community College Employees](#)
 - ▶ [Public Servants - Members of State Boards and Commissions, including University and Community College Boards of Trustees](#)

© copyright North Carolina State Ethics Commission Privacy Policy | Sitemap | Contact Us
Website design by ITS

GIFT BAN EXCEPTIONS **

N.C.G.S. §138A-32(e)

19

- I. FOOD & BEVERAGES FOR “IMMEDIATE CONSUMPTION”
- II. MEETING & CONFERENCE EXPENSES
- III. GIFTS TO NON-PARTISAN ORGANIZATIONS
- IV. INFORMATIONAL MATERIALS
- V. GIFTS TO FAMILY, FRIENDS, OTHERS

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

FOOD & BEVERAGES:

Open Meetings & Gatherings Open to Public

N.C.G.S. §138A-32(e)(1)



20

Food & Beverages for “*Immediate Consumption*”



Open Meeting of Public Body

Properly noticed under the
Open Meetings Law

N.C.G.S. §138A-32(e)(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(e)(1)b

FOOD & BEVERAGES:

Specific Invitees

N.C.G.S. §138A-32(e)(1)c



21

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.

FOOD & BEVERAGES: INVITE

22

- 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

FOOD & BEVERAGES

“Official Duty” for Public Servants

N.C.G.S. §138A-32(e)(12)

23

- Food & Beverages for Immediate Consumption
- Organized gathering where
 - ✓ Public Servant's Attendance is **Primarily Related to Public Position** and 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.



MEETINGS & CONFERENCES

N.C.G.S. §138A-32(e)(3)(i)-(iv)



24

Lobbyist Principal (**not
Lobbyist or Interested
Person**)

- Can Pay **Reasonable Actual Expenditures** for Food & Beverages, Travel, Registration, Lodging, Incidental Items of Nominal Value, Incidental Entertainment.

➤ Categories of Meetings:

- ✓ “Educational” Meeting (primarily related to public duties; see 30 NCAC 07C .0101);
- ✓ Designated Individual is a “bona fide speaker or panel member”;
- ✓ Attendance at Meeting of Nonpartisan Organization Where Agency is a Member or Designated Individual a Member Due to Public Position.

MEETINGS & CONFERENCES



25

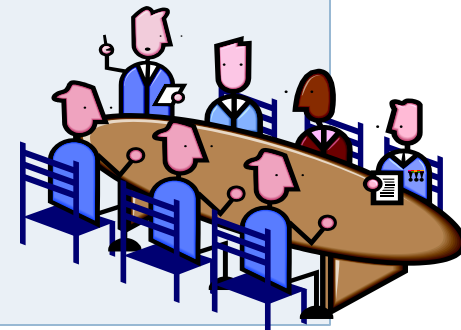
- Meeting has Formal Agenda, Notice Given at Least 10 Days in Advance, and Attended by at Least 10 Participants
- Food, Beverage, Transportation & Entertainment Must Be:
 - ✓ Provided to All Attendees or Defined Groups of 10 or More; and,
 - ✓ Part of or In Conjunction with Meeting
- Entertainment Must be **Incidental** to the Principal Agenda

WHAT IS AN “EDUCATIONAL” MEETING?

26

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)?



MEETINGS & CONFERENCES

Reimbursable Expenses for Public Servants

N.C.G.S. §138A-32(f)



27

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

NONPARTISAN AGENCY ORGANIZATIONS:

Gifts Made Directly to Organization

N.C.G.S. § 120C-303(d) and (e)

28

Both Direct and Indirect Gifts are Allowed if They Are:

- Made by a Lobbyist or Lobbyist Principal Directly to
- Nonpartisan State, Regional, National, or International Organization of which
- Agency is a Member or
- Designated Individual is a Member or Participant by Virtue of Public Position



INFORMATIONAL MATERIALS

N.C.G.S. §138A-32(e)(2)

29

➤ Informational Materials Relevant to Designated Individual's Public Duties

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



FAMILY, FRIENDS, & OTHERS

Extended Family

N.C.G.S. §138A-32(e)(7)

30

- Gifts to **Extended Family** Member
- Still Subject to Reporting



FAMILY, FRIENDS & OTHERS:

Other Relationships

N.C.G.S. §138A-32(e)(10)

31

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"



Plaques & Non-Monetary Mementos

N.C.G.S. §138A-32(e)(4)

32

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



UNC SYSTEM ATHLETIC TICKETS

N.C.G.S. §120C-501(e)

33

- UNC Board of Governors, UNC Constituent Institutions, or their Legislative Liaisons
- Cannot Give To Designated Individuals
- For Lobbying (Direct Lobbying or Goodwill Lobbying)



HONORARIA

N.C.G.S. §138A-32(h)

34

- **Acceptance** Restricted From **All Donors**
(Not Limited to L, LP, IP Donors)
- If Legislator, Legislative Employee, Judicial Officer or Public Servant:
 - ✓ Invited Because of Public Position
 - ✓ Used State Resources or Reimbursed by State, or
 - ✓ Used State Time
- But, May Reimburse Agency for Expenses or Pay Fee



GIFT BAN REMINDERS

35

- 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



36

OTHER REQUIREMENTS & RESTRICTIONS

LOBBYING LAW

REQUIREMENTS & RESTRICTIONS

37

- Lobbyist Must Identify Him/Herself as a Lobbyist and Disclose Identity of LP Prior to Any Lobbying Communication or Activity With DI

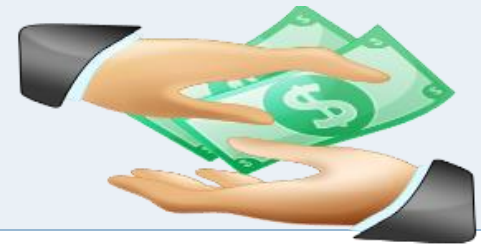
N.C.G.S. §120C-200(e)



- Lobbyist Cannot Accept a Fee Contingent Upon the Outcome of Lobbying

N.C.G.S. §120C-300

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



LOBBYING LAW

REQUIREMENTS & RESTRICTIONS

38

- 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)
- Lobbyist Restricted from Making Campaign Contributions to Legislative and Council of State Candidates
N.C.G.S. §163-278.13C (Interpreted by Board of Elections)
- Lobbyist Cannot Allow a DI or a DI's Immediate Family to Use Lobbyist's Cash or Credit, Unless Lobbyist Present**
N.C.G.S. §120C-305

**But Don't Forget Gift Ban

LOBBYING LAW

REQUIREMENTS & RESTRICTIONS

39

- Lobbyist Ineligible for Appointment To State Board Which has Regulatory Authority Over Entity Lobbyist Currently Represents or Has Within 120 Days after Lobbyist's Registration Expired
N.C.G.S. §120C-304(e)



LOBBYING LAW REQUIREMENTS & RESTRICTIONS

40

“Cooling Off Period” N.C.G.S. §120C-304

The Following Cannot Be **Lobbyists**:

- Legislator or Former Legislator
 - ✓ While in Office; or
 - ✓ Before the **Later** of:
 - ✓ The Close of the Session (Sine Die) In Which the Legislator Served or
 - ✓ Six Months After Leaving Office
- Constitutional Officers and Heads of Principal State Departments
 - ✓ While in Office or Employed, or
 - ✓ Within 6 Months Thereafter



LOBBYING LAW REQUIREMENTS & RESTRICTIONS

41

“Cooling Off Period” N.C.G.S. §120C-304

- Former State Agency Employee Cannot Become A Lobbyist to Lobby That Agency
- Within Six Months After
 - ✓ Voluntary Separation or
 - ✓ Separation for Cause
- If Former Employee Registers Within 6 Months of Separation, Must Identify Former Agency N.C.G.S. §120C-200(f)





LOBBYING EDUCATION: PART II

REGISTRATION, REPORTING, ENFORCEMENT

REGISTRATION

- Who Must Register?
- When Must Individuals Register?



Who Must Register?

44

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



LIAISON PERSONNEL MUST REGISTER

N.C.G.S. §120C-500, -501 and -502

45

- 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



A “LOBBYIST” MUST REGISTER

46

Who is a Lobbyist?

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

WHAT IS “LOBBYING?”

N.C.G.S. §120C-100(a)(9) a. and b.

47

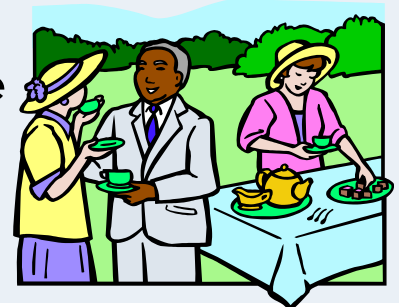
“Direct” Lobbying

- Direct Communications or Activities
- With a Designated Individual or Designated Individual’s Immediate Family Member
- Designed to Influence “Legislative” or “Executive” Action



“Goodwill” Lobbying

- Developing Goodwill Through Communications and Activities, Including the Building of Relationships
- With a Designated Individual or Designated Individual’s Immediate Family Member
- With the Intention of Influencing Current or Future “Legislative” or “Executive” Action



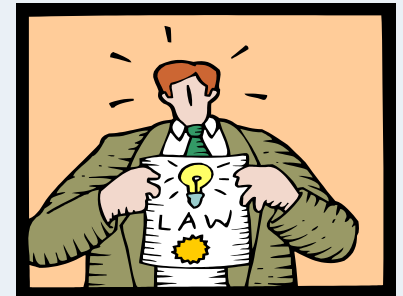
DESIGNED TO INFLUENCE “LEGISLATIVE ACTION”

N.C.G.S. §120C-100(a)(5)

48

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



DESIGNED TO INFLUENCE EXECUTIVE ACTION

N.C.G.S. §120C-100(a)(3)

49

Executive Action:

➤ Official Actions Taken by a Public Servant

- ✓ Consider – Prepare – Approve – Postpone – Reject
- ✓ Policy – Procedure – Guideline – Rule – RFP – Invitation for Bid



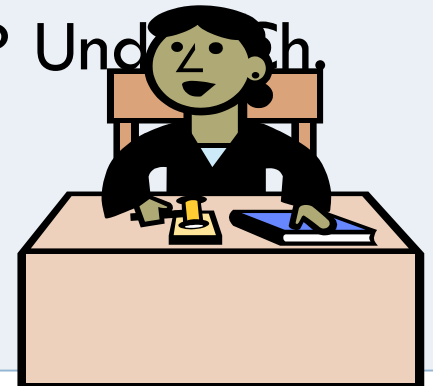
NOT “EXECUTIVE ACTION”

N.C.G.S. § 120C-100(a)(3)a.-b.

50

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 RFP Under Ch. 143
- Ratemaking



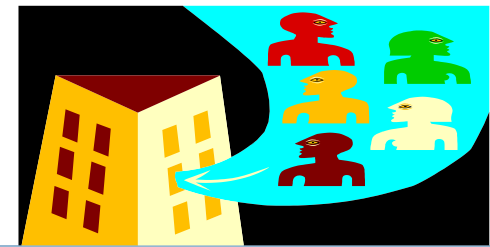
WHAT IS “PAYMENT?”

51

- Firm-Employed Lobbyist – Employed by a Firm and Lobbies for Entity or Individual That Hired Firm N.C.G.S. §120C-100(a)(10)b.
- Contract Lobbyist – Contracts *With Lobbyist Principal* for Payment for Lobbying
N.C.G.S. §120C-100(a)(10)c.



WHAT IS PAYMENT?



52

- 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

Persons Exempted

N.C.G.S. § 120C-700

53

- 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 (Not Liaison)
- Designated Individuals Acting in Their Official Capacity
- Persons Performing Professional Services in Drafting Bills or Advising on Effect of Official Action, Services Not Connected to Legislative Action
- Political Committee as defined in N.C.G.S. §163-278.6(14)

SOLICITATION OF OTHERS

N.C.G.S. §120C-215



54

Person not Otherwise Required to Register and Report Must Register & Report When

- Total Expenses for “Solicitation of Others”
- Exceeds \$3,000 During any 90-Day Period

Excludes

- Any Communication Made to the Person’s Stockholders, Employees, Board Members, Officers, Members, Subscribers
- Communications with Those Who Have Agreed to Receive Regular Publications or Notices

“SOLICITATION OF OTHERS”

N.C.G.S. §120C-101(a)(13)



55

What Is Solicitation of Others?

- Request That Members of the Public
- Communicate With Designated Individuals
- For purpose of:
 - ✓ Influencing Legislative or Executive Action
 - ✓ To Further Solicitor's Position
- Includes:
 - ✓ Broadcasts (T.V. and Radio)
 - ✓ E-Mail, Telephone, Letter
 - ✓ Website Posting
 - ✓ Print Media
 - ✓ Conference or Meeting

WHAT MUST BE REPORTED?

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



WHAT DOES A LOBBYIST PRINCIPAL REPORT?

N.C.G.S. §120C-403(b), (c), (d), (e)

57

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
- “Solicitation of Others” Expenditures in Excess of \$3,000
- 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

WHAT DOES A LOBBYIST PRINCIPAL REPORT?

N.C.G.S. §120C-400(b)

58

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

➤ Cash



➤ Fixed Asset



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

59

- **Gifts** Given to a DI by a Lobbyist, Lobbyist Principal, or a Liaison With Value Greater than \$10 per DI 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 But Are **Made for Lobbying**
 - ✓ Made at the Request of or On Behalf of DI or DI’s Immediate Family Or
 - ✓ Made for the Benefit of Immediate Family

WHAT REPORTABLE EXPENDITURES MUST BE REPORTED?

60

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



WHAT REPORTABLE EXPENDITURES MUST BE REPORTED?

61

- Do Not Report Expenditures That Were “Promptly Paid for or Returned” by DI. N.C.G.S. 120C-401(i)
- 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(i)



REPORT DETAILS

N.C.G.S. §120C-401(b) and §120-401(c)

62

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
- Category of Reportable Expenditure



ANNUAL REPORTING OF PAYMENTS TO A LOBBYIST FOR LOBBYING

N.C.G.S. §120C-403(d) and (e)

63

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

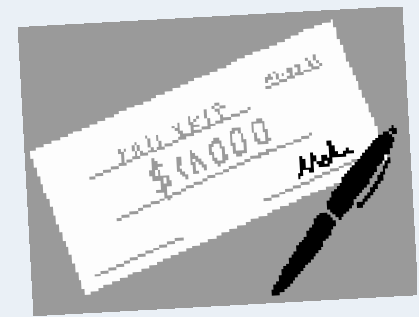
PAYMENT

N.C.G.S. §120C-100(a)(11k)

64

Defined As:

- Any Money, Thing of Value, or Economic Benefit
 - ✓ Conveyed to a Lobbyist
 - ✓ For Lobbying
- Excludes Reimbursement of:
 - ✓ Actual travel
 - ✓ Administrative Expenses
 - ✓ Subsistence



65

INVESTIGATIONS & VIOLATION CONSEQUENCES



JURISDICTION

N.C.G.S. § 120C-601 through -603

66

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

Violation Consequences

N.C.G.S. § 120C-602

67

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

- Secretary of State or Commission May Levy Civil Fines for Violations of Ch. 120C Up to \$5,000/Violation

UNTIMELY FILING

120C-401(e) and (f)

68

- 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



ETHICS COMMISSION

Contact Information

69

Location:

- 424 N. Blount Street
Raleigh, NC 27601-1010

Mailing Address:

- 1324 Mail Service Center
Raleigh, NC 27699-1324

Phone:

- (919) 814-3600

Fax:

- (919) 715-1644

Email:

- ethics.commission@doa.nc.gov

Website: www.ethicscommission.nc.gov