

State of Wisconsin  
Ethics Commission

# **GROUP INSURANCE BOARD ETHICS AND LOBBYING OVERVIEW**

David Buerger  
*Staff Counsel*



## POLITICAL MARKET

**Conscientious Railroad President to Dealer:**

"Ah! Let me see. I think I'll take this bunch of Legislators at \$5000 a head. The Senators, at what price did you say?"

**Dealer:** "Can't afford 'em less than \$10,000 each."

**R.R.P.:** "Well, hand them over. I suppose I'll have to take the lot."

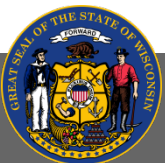
**Dealer:** "Anything else to-day? I have a lot of Editors, at various prices, from a Thousand down to Fifty Cents."

**R.R.P.:** "No, nothing in that way, to-day. But I want a Governor very much indeed, and will stand \$50,000 for him. Get me a Wisconsin one, if possible!"

Cartoon published in *Harper's Weekly* of June 12, 1858, at the time of the Land Grant Investigation

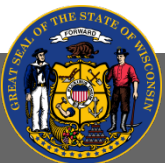
# ABOUT THE ETHICS COMMISSION

- Created by 2015 Wisconsin Act 118
- 6 members – Partisan Appointments
  - 2 former judges, 4 others
  - 5-year terms
- Headed by Commission Administrator
- All actions require four votes
- One Staff Counsel; Six Other Staff Positions
- Confidentiality: Advice & Investigations



# RESPONSIBILITIES

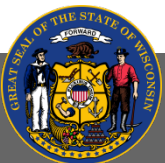
- Administer Wisconsin Statutes
  - Chapter 11: Campaign Finance
  - Subchapter III, Chapter 13: Lobbying
  - Subchapter III, Chapter 19: Code of Ethics



# JURISDICTION

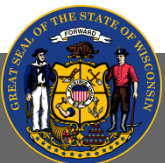
- Co-Equal Jurisdiction with District Attorneys, but historically...

Ethics Commission	District Attorneys
<ul style="list-style-type: none"><li>• Legislators, aides, service agencies</li><li>• Governor, Lt. Governor, appointees, secretaries, deputies, executive assistants, administrators</li><li>• Justices and judges</li><li>• Lobbyists and Lobbying Principals (organizations)</li><li>• Most campaign committees</li><li>• Any individual holding a state public office</li></ul>	<ul style="list-style-type: none"><li>• Code of Ethics for Local Officials</li><li>• Local candidate and local referendum committees</li></ul>



# IMPORTANT LAWS TO KNOW

- Lobbying
  - Prohibits soliciting or accepting anything of pecuniary value from lobbyists or lobbying principals
- Code of Ethics
  - Use of office for financial gain
  - Influence and reward
  - Food, drink, transportation, lodging
  - Use of confidential information for private gain
  - Unlawful benefit
  - Interest in contract
  - Revolving Door Prohibitions
  - Pay to Play
  - Exceptions, Disposition of Gifts
  - Conflicts of Interest

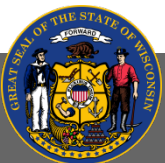




# LOBBYING (CHAPTERS 13) RESTRICTIONS

# LOBBYING: PROHIBITED PRACTICES

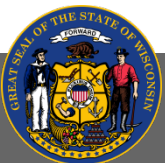
- WIS. STAT. § 13.625
- No lobbyist or lobbying principal may give to an agency official, and no agency official may solicit or accept from a lobbyist or lobbying principal any:
  - Lodging
  - Transportation
  - Food, meals, beverages
  - Money or any other thing of pecuniary value
- A listing of registered lobbyists and lobbying principals can be found online at:  
<https://lobbying.wi.gov/Who/WholsLobbying/>





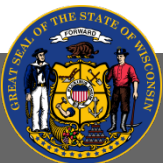
# CAMPAIGN CONTRIBUTIONS

- A lobbyist may deliver a contribution from another at any time (e.g., a PAC contribution).
- A lobbyist may only make a personal contribution if the “window” is open
  - Between the first day to circulate nomination papers and the date of the election
  - And a contribution to a candidate for legislative office can only be given by a lobbyist if the Legislature has concluded its final floor period and is not in special or extraordinary session
  - A lobbyist may contribute to their own campaign at any time



# OTHER EXCEPTIONS

- Items and services made available to the general public
- Providing or receiving any thing of pecuniary value involving a relative or an individual who resides in the same household
- Lobbyists may provide educational/informational materials
- Providing or receiving payment or reimbursement for actual and reasonable expenses allowed under WIS. STAT. §19.56: Honorariums, Fees and Expenses
- Other very limited exceptions to the blanket prohibition on accepting anything of pecuniary value from a lobbyist or principal





# ETHICS (CHAPTER 19) RESTRICTIONS

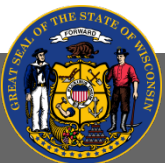
# USE OF OFFICE FOR FINANCIAL GAIN

- WIS. STAT. § 19.45(2)
  - No state public official may use his or her public position or office to obtain financial gain or anything of substantial value for the private benefit of himself or herself or his or her immediate family, or for an organization with which he or she is associated
    - “Organization” does **NOT** include bodies politic
    - “Associated” includes any organization in which an individual or a member of his or her immediate family is a director, officer, or trustee, or owns or controls at least 10% of the equity, or of which an individual or family member is an authorized representative or agent
- Special exceptions:
  - Campaign contributions
  - Candidates may solicit for donations to nonprofits they are associated with



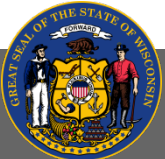
# INFLUENCE AND REWARD

- WIS. STAT. § 19.45(3)
  - No person may offer or give to a state public official, directly or indirectly, and no state public official may accept from any person, directly or indirectly, anything of value if it could reasonably be expected to influence the state public official's vote, official actions, or judgment, or could reasonably be considered as a reward for any official action or inaction on the part of the state public official.
  - As a general rule officials should not accept anything of more than nominal value from organizations that have a special or specific interest in an item or matter likely to be before the official.



# FOOD, DRINK, TRANSPORTATION, AND LODGING

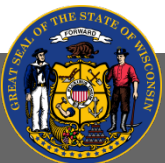
- WIS. STAT. §19.45(3m)
  - No state public official may accept or retain any transportation, lodging, meals, food or beverage, or reimbursement therefor, except in accordance with § 19.56(3)
- Exceptions (see [Guideline 1211](#)):
  - Official talk or meeting
  - Unrelated to holding public office
  - State benefit
  - Reported as an expense by a political committee
  - WEDC/Department of Tourism
- Remember that items from lobbying principals must also meet an exception of the lobbying law to be accepted



# USE OF CONFIDENTIAL INFORMATION FOR PRIVATE GAIN

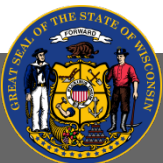
- WIS. STAT. § 19.45(4)
  - No state public official may intentionally use or disclose information gained in the course of or by reason of his or her official position or activities in any way that could result in the receipt of anything of value for himself or herself, for his or her immediate family, or for any other person, if the information has not been communicated to the public or is not public information.

**CONFIDENTIAL**



# UNLAWFUL BENEFITS

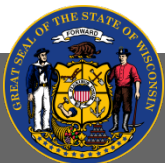
- WIS. STAT. § 19.45(5)
  - No state public official may use or attempt to use the public position held by the public official to influence or gain unlawful benefits, advantages or privileges personally or for others.





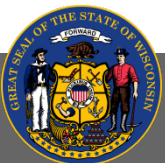
# INTEREST IN CONTRACT

- WIS. STAT. § 19.45(6)
  - No state public official, member of a state public official's immediate family, nor any organization with which the state public official or member of the official's immediate family is associated with, may enter into any contract or lease involving payments of more than \$3,000 within a 12-month period from state funds unless the official discloses the association to both the Commission and the department acting for the state in regards to the contract or lease.
  - Does not affect WIS. STAT. § 946.13, which is a much broader restriction on officials acting in an official capacity regarding contracts they have a personal interest in an amount greater than \$15,000 per year.



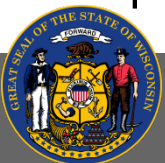
# REVOLVING DOOR PROHIBITIONS

- WIS. STAT. § 19.45(8): With certain exceptions, no state public official may:
  - For 12 months following the date on which the individual ceases to be a public official, for compensation on behalf of a person other than a governmental entity, make any formal or informal appearance before, or negotiate with, any officer or employee of the department with which the official was associated.
  - For 12 months following the date on which the individual ceases to be a public official, for compensation on behalf of a person other than a governmental entity, make any formal or informal appearance before, or negotiate with, any officer or employee regarding any proceeding, application, contract, claim or charge which was under the former official's responsibility.
  - For compensation, act on behalf of a person other than the state, in connection with any judicial or quasi-judicial proceeding, application, contract, claim, or charge which might give rise to a judicial or quasi-judicial proceeding in which the former official participated personally and substantially as a state public official.



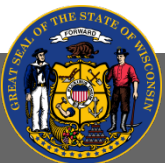
# PAY TO PLAY

- WIS. STAT. § 19.45(13):
  - No state public official or candidate for state public office may, directly or by means of an agent, give, or offer or promise to give, or withhold, or offer or promise to withhold, his or her vote or influence, or promise to take or refrain from taking official action with respect to any proposed or pending matter in consideration of, or upon condition that, any other person make or refrain from making a political contribution, or provide or refrain from providing any service or other thing of value, to or for the benefit of a candidate, a political party, any committee registered under ch. 11, or any person making a communication that contains a reference to a clearly identified state public official holding an elective office or to a candidate for state public office.



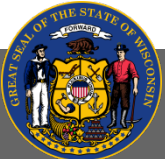
# EXCEPTIONS

- For Wis. STAT. § 19.45(2) only:
  - Campaign contributions
  - Solicitation of donations to nonprofits
- Honorarium
  - Reasonable compensation for elected officials.
  - Actual and reasonable expenses for others.
- Unrelated to holding or having held public office
- State benefit
  - Limited to transportation, lodging, meals, food or beverage, or reimbursement for such expenses. May also accept payment or reimbursement of actual and reasonable costs incurred.



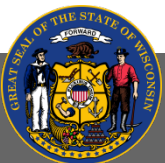
# EXCEPTIONS, CONT.

- Items from a political committee, which are properly reported under ch. 11.
- WEDC
  - For trips to a foreign country to promote trade
  - For hosting individuals to promote business, economic development, tourism, or conferences sponsored by multi-state, national, or international associations of governments or government officials.
- Department of Tourism
  - For hosting individuals in order to promote tourism.
- For more information regarding the application of these exceptions, see [Guideline ETH 1211](#).



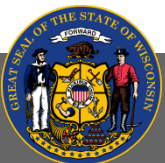
# ACCEPTING GIFTS

- Do not accept items or services of more than trivial value that are offered to you because of your official position.
- You may accept something if it is not related to your public office.
- You may accept something if it is available to the general public and you received no special advantage in partaking of the opportunity (no use of public office)



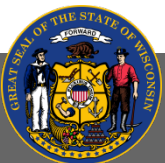
# DISPOSITION OF GIFTS

- Treat the item as being given to the office.
- Turn the item over to another public institution, such as a local school, library, or museum, that can use the item.
- Donate the item to a charitable organization (other than one of which the official or a family member is an officer, director, or agent).
- Return the item to the donor.
- If the donor is neither a lobbyist nor a lobbying principal, purchase the item (by paying the donor the full retail value) and retain it.



# CONFLICTS OF INTERESTS

- WIS. STAT. § 19.46(1): No state public official may:
  - Take any official action substantially affecting a matter in which the official, a member of his or her immediate family, or an organization with which the official is associated has a substantial financial interest.
  - Use his or her office or position in a way that produces or assists in the production of a substantial benefit, direct or indirect, for the official, one or more members of the official's immediate family either separately or together, or an organization with which the official is associated.

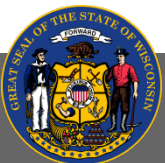




# OFFICIAL MAY ACT IF...

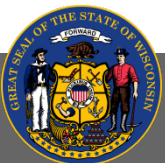
- The official action affects a whole class of similarly-situated interests; and,
- Neither the interests of the official, a member of the official's immediate family, nor a business or organization with which the official is associated is significant when compared to all affected interests in the class; and
- The action's effect on the interests of the official, of a member of their immediate family, or of an associated business or organization is neither significantly greater nor less than upon other members of the class.

[Ethics Commission Guideline 1232](#)



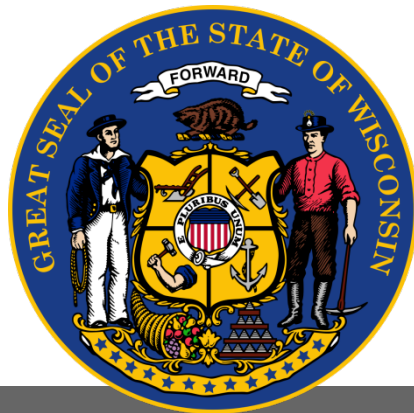
# STATEMENT OF ECONOMIC INTERESTS

- Only certain officials are required to file an SEI.
- Annual requirement
- Must identify investments, real estate, businesses, and creditors as of the last day of the prior year.
- All direct sources of family income from prior year of \$1,000 or more.
- All sources of income from prior year of \$10,000 or more received from partnerships, sub S corporations, service corporations, and LLCs (including customers, clients, and tenants) in which your family has a 10% or greater interest.



# WHERE TO FIND MORE INFORMATION

- **Wisconsin Statutes**
  - <https://docs.legis.wisconsin.gov>
- **Advisory Opinions**
  - Prompt, Confidential, Authoritative
- **Guidelines**
  - <https://ethics.wi.gov>



Ethics@wi.gov  
<https://ethics.wi.gov>  
Phone: (608) 226-8123  
Fax: (608) 264-9319

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