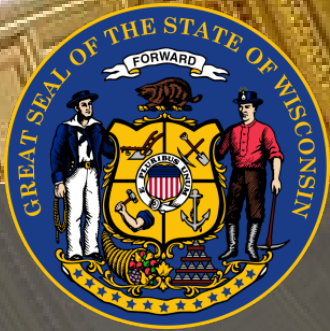




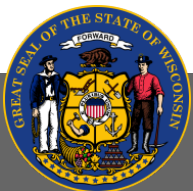
State of Wisconsin
Ethics Commission

LOBBYING AND THE CODE OF ETHICS FOR GROUP INSURANCE BOARD MEMBERS

David Buerger, *Staff Counsel*

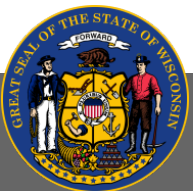
ABOUT THE ETHICS COMMISSION

- Partisan Commissioners
 - Two former judges, four other appointees
 - 5-year terms
- Bipartisan Cooperation Required
 - All actions require four votes
- Nonpartisan Staff
- Strict Confidentiality – Advice & Complaints



RESPONSIBILITIES

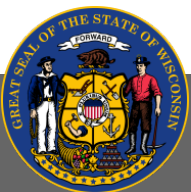
- Administer Wisconsin Statutes
 - Chapter 11: Campaign Finance
 - Subchapter III, Chapter 13: Lobbying
 - Subchapter III, Chapter 19: Code of Ethics
- Conduct programs to explain and interpret these laws.
- Compile and make the information provided to us available to the public!



JURISDICTION

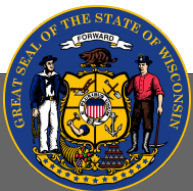
- Co-Equal Jurisdiction with District Attorneys, but historically...

Ethics Commission	District Attorneys
• Legislators, aides, service agencies • Governor, Lt. Governor, appointees, secretaries, deputies, executive assistants, administrators • Justices and judges • Lobbyists and Lobbying Principals (organizations) • Most campaign committees • Any individual holding a state public office	• Code of Ethics for Local Officials • Local candidate and local referendum committees



IMPORTANT LAWS TO KNOW

- Lobbying
 - WIS. STAT. § 13.625 (Restrictions on Lobbyists/Principals)
 - WIS. STAT. § 13.695 (Legislative Liaison Reporting)
- Code of Ethics
 - WIS. STAT. § 19.45 (Code of Ethics for State Public Officials)
 - WIS. STAT. § 19.46 (Conflict of Interest)
 - WIS. STAT. § 19.43-19.44 (Statement of Economic Interests)





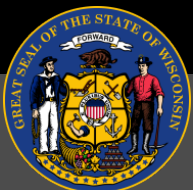
LOBBYING LAWS



BEWARE OF ANGELS



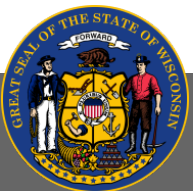
ITEM: REPORT DETAILS WIDESPREAD INFLUENCE IN LEGISLATURE BY LOBBYISTS, SOMETIMES REFERRED TO AS 'ANGELS.'



WHO IS A LOBBYIST/PRINCIPAL?

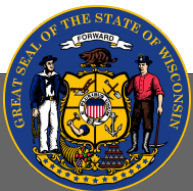
WI Lobbying

- Lobbying.wi.gov
- Search by name, type, or interest keywords.
- Download directories in PDF or Excel
- Tracks lobbying on rules, budget bills subjects, legislative proposals, etc.



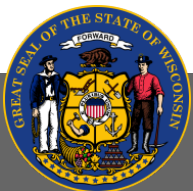
WHO IS AN AGENCY OFFICIAL?

- “Agency Official”
 - A member, officer, employee or consultant of any agency who **as part of such person's official responsibilities** participates in any administrative action in other than a solely clerical, secretarial or ministerial capacity.
- “Administrative Action”
 - The proposal, drafting, development, consideration, promulgation, amendment, repeal or rejection by any agency of any rule promulgated under ch. 227.



LOBBYING: PROHIBITED PRACTICES

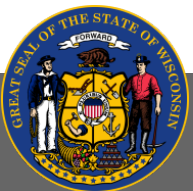
- WIS. STAT. § 13.625
- No lobbyist or lobbying principal may give to an agency official, legislative employee, any elective state official, or candidate for state elective office, or to the candidate committee of the official, employee or candidate:
 - Lodging
 - Transportation
 - Food, meals, beverages
 - Money or any other thing of pecuniary value
- Except...



EXCEPTIONS

- Actual and reasonable expenses for presenting a talk or participating in a meeting. WIS. STAT. §§ 13.621(7)(a), 19.56(3)(a).
- Admission to events to discuss official business of agency. WIS. STAT. § 13.621(7)(b).
 - May not accept food, beverage, etc. included with admission without payment of actual cost.
- Items and services made available to the general public. WIS. STAT. § 13.625(4m)(a).
- Educational/informational materials. WIS. STAT. § 13.625(4m)(i).
- Compensation to employees of lobbying principals who are agency officials solely because of membership on a state commission, board, council, or committee, who receive no compensation other than a per diem or reimbursement of expenses for state service. WIS. STAT. § 13.625(4m)(g).
 - Compensation may not exceed that paid to those similarly-situated.

Other exceptions may apply!





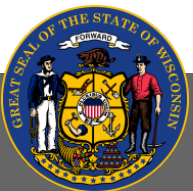
CODE OF ETHICS



DEFINITIONS

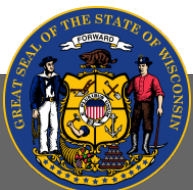
- “State public office” includes the following positions:
 - All positions regularly appointed by the Governor
 - Constitutional officers and other elected state officials
 - Certain state agency positions
 - General senior executive positions
 - Deputies
 - Assistant deputy secretaries and executive assistants

NOTE: This is not an exhaustive list. If you are unsure if you qualify as a state public official, please contact your agency’s legal counsel or the Commission.



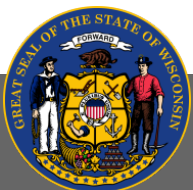
DEFINITIONS, CONT.

- “Immediate family” means:
 - An individual’s spouse
 - An individual’s relative by marriage, lineal descent, or adoption who receives, directly or indirectly, more than 50% of his or her support from the official, or from whom the official receives more than 50% of his or her support
- “Associated” when used with reference to an organization, includes any organization in which an official or a member of the immediate family:
 - Is a director, officer, or trustee
 - Owns or controls, directly or indirectly, and severally or in the aggregate, at least 10% of the outstanding equity
 - Is an authorized representative or agent



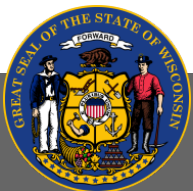
DEFINITIONS, CONT.

- “Organization” means:
 - Any corporation, partnership, proprietorship, firm, enterprise, franchise, association, trust, or other legal entity other than an individual or body politic.
- “Anything of value” means:
 - Any money or property, favor, service, payment, advance, forbearance, loan, or promise of future employment.
 - Does not include:
 - Compensation and expenses paid by the state
 - Political contributions reported under ch. 11.
 - Hospitality extended for a purpose unrelated to state business by a person other than an organization.



USE OF OFFICE FOR PRIVATE 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.
- Exceptions:
 - Campaign contributions
 - Candidates/officeholders may solicit for donations to nonprofits
- Acceptance of anything of value given because of your position is a use of office.
- Do NOT use governmental resources for a nongovernmental purpose (e.g., personal, commercial).
- Do NOT ask staff to engage in nongovernmental activity on state time.



EXAMPLE — PERSONAL BENEFIT

Thursday February 25, 1993

THE MILWAUKEE JOURNAL

Ethics in government

Official settles ethics flap by paying \$150

Agriculture chief bought airline tickets through wife's travel agency

By JAMES ROWEN
of The Journal staff

State agriculture secretary Alan T. Tracy has paid a \$150 forfeiture to the Wisconsin Ethics Board after disclosing that his department paid \$1,493 to a travel agency owned by his wife for airline tickets that Tracy used.

Tracy, secretary of the Wisconsin Department of Agriculture, Trade and Consumer Protection, paid the forfeiture Tuesday in a settlement reached Monday with the ethics board.

The settlement came after The Milwaukee Journal earlier this month requested under the Wisconsin Open Records law information about department travel arranged through Uniglobe Profes-

sional Travel, according to Jonathan Becker, ethics board attorney.

Uniglobe, in the Madison suburb of Middleton, is operated and owned by Kris Tracy, Alan Tracy's wife, ethics board records show.

The forfeiture "was equal to the amount of the commission his wife had made" for writing the plane tickets, Becker said.

The ethics board settlement says that while the travel arrangements with Uniglobe did not impose any improper costs on the state, "Mr. Tracy, to avoid any claim of personal gain, has agreed to forfeit \$150."

State law forbids state officials from using their public positions "to obtain financial gain or any-



TRACY

thing of substantial value for the private benefit of himself or herself or his or her immediate family."

TRACY 'VIOLATED THE LAW'

"I think it's fair to say that he violated the law," said R. Roth Judd, executive director of the ethics board, in an interview Wednesday night.

Judd said that he and Tracy had agreed that the ethics board would make the settlement public Thursday, allowing Tracy enough time to notify the department board in writing.

But Gov. Tommy G. Thompson defended Tracy when a reporter asked him about the forfeiture.

"He volunteered that," Thompson said. "He went to the ethics board because he recognized that there was some question. I think he should be complimented for coming forward and paying a forfeiture."

In paying the forfeiture, Alan Tracy is among several top state

agency officials whose recent actions have posed potential conflicts of interest or who have had ethical or personnel difficulties.

Alan Tracy booked the travel through Uniglobe "as a matter of convenience or economy ... with no thought of personal gain," according to the settlement agreement.

The trips booked through Uniglobe were for Alan Tracy to attend a conference in April 1992 in Louisiana and meetings in Washington, D.C., and Chicago in December 1991.

Tracy said The Journal's open records request triggered his concern about the potentially inappropriate appearance of the booking.

"I felt I should report them to the ethics board," he said in an interview Wednesday.

Tracy explained that he had instructed his secretary not to book travel through Uniglobe because he "did not want there to be a perception that I was traveling ... throw-

ing business to a family member."

But for reasons of personal convenience, he said, he twice directed his secretary to use Uniglobe and on one occasion booked a trip himself.

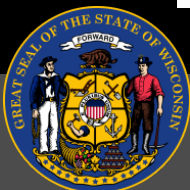
TRACY SAYS HE WAS CARELESS

"In retrospect, that was careless, and I'm embarrassed by it," he said.

Travel agencies earn income through commissions on airplane tickets and other travel arrangements provided to customers.

Tracy booked about 30 trips between 1990 and 1992, only three of which he booked through Uniglobe, according to a Feb. 23 letter from the department to The Journal.

State agencies are encouraged to use, but are not required to patronize, four travel agencies that have been placed on an approved list through a competitive bidding procedure, according to the Wisconsin Department of Administration.

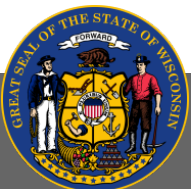


State of Wisconsin
Ethics Commission

DISPOSAL OF IMPERMISSIBLE GIFTS

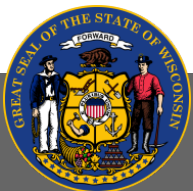
- Give the item to the official's agency to use or sell.
 - Agency may not sell the item to any government employee or official.
- Give the item to another state agency or to a public institution, such as a local school, library, or museum, that can use the item.
- Give the item to a charitable organization
 - Not including one with which the official or their immediate family is associated.
- Return the item to the donor.
- If the donor is neither a lobbyist nor an organization that employs a lobbyist, purchase the item (by paying the donor the full retail value) and retain it.

WIS. STAT. § 19.45(14)



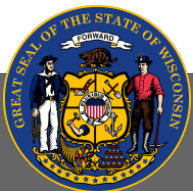
INFLUENCE AND REWARD

- 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, BEVERAGE, TRAVEL, AND LODGING

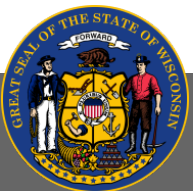
- WIS. STAT. § 19.45(3m)
 - No state public official may accept or retain any transportation, lodging, meals, food or beverage, or reimbursement therefor, except in accordance with § 19.56(3).
- Exceptions (see Guideline [ETH-1211](#)):
 - Official talk or meeting
 - Unrelated to holding public office
 - 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

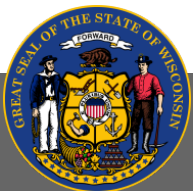
- WIS. STAT. § 19.45(4)
 - No state public official may intentionally use or disclose information gained in the course of or by reason of his or her official position or activities in any way that could result in the receipt of anything of value for himself or herself, for his or her immediate family,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

CONFIDENTIAL



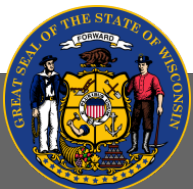
UNLAWFUL BENEFITS

- 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.



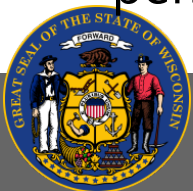
INTEREST IN PUBLIC CONTRACT

- 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.



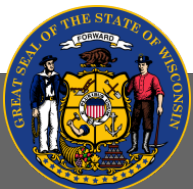
REVOLVING DOOR PROHIBITIONS

- 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.



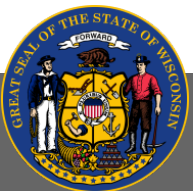
PAY TO PLAY

- 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.



CONFLICT OF INTEREST

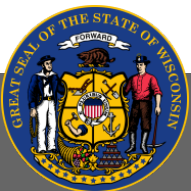
- WIS. STAT. § 19.46(1): No state public official may:
 - Take any official action substantially affecting a matter in which the official, a member of his or her immediate family, or an organization with which the official is associated has a substantial financial interest.
 - Use his or her office or 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.
 - Except...



OFFICIAL MAY ACT IF...

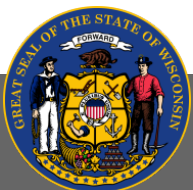
- The official action affects a whole class of similarly-situated interests; and,
- Neither the interests of the official, a member of the official's immediate family, nor a business or organization with which the official is associated is significant when compared to all affected interests in the class; 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](#)



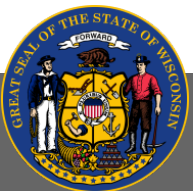
OFFICIAL MAY ACT IF...

- The official action is concerning: (1) the lawful payment of salaries or employee benefits or reimbursement of actual and necessary expenses, or (2) the modification of a county or municipal ordinance.
- The impact on the official's interests is remote or speculative.



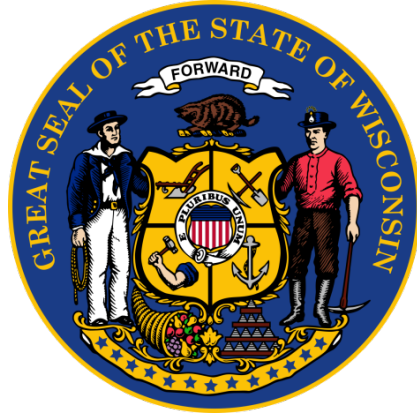
STATEMENT OF ECONOMIC INTEREST

- WIS. STAT. §§ 19.43, 19.44
- Not required for all state public officials.
- Annual requirement (April 30th) and within 21 days of leaving your position.
- 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>



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