

Why GAO Did This Study

The Honest Leadership and Open Government Act of 2007 requires that GAO annually (1) determine the extent to which lobbyists can demonstrate compliance with disclosure requirements, (2) identify any challenges that lobbyists report to compliance, and (3) describe the resources and authorities available to the U.S. Attorney's Office for the District of Columbia (the Office), and the efforts the Office has made to improve its enforcement of the Lobbying Disclosure Act of 1995 as amended (LDA). This is GAO's fourth report under the mandate. GAO reviewed a stratified random sample of 100 lobbying disclosure reports filed from the fourth quarter of calendar year 2009 through the third quarter of calendar year 2010. GAO also selected two random samples totaling 160 reports of federal political campaign contributions from year-end 2009 and midyear 2010. This methodology allowed GAO to generalize to the population of 55,282 disclosure reports with \$5,000 or more in lobbying activity. GAO also met with officials from the Office regarding efforts to focus resources on lobbyists who fail to comply. GAO provided a draft of this report to the Attorney General for review and comment. The Assistant U.S. Attorney for the District of Columbia responded on behalf of the Attorney General that the Department of Justice had no comments on the draft of this report.

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2010 LOBBYING DISCLOSURE

Observations on Lobbyists' Compliance with Disclosure Requirements

What GAO Found

Lobbyists were generally able to provide documentation to support the amount of income and expenses reported; however, less documentation was provided to support other items in their disclosure reports. This finding is similar to GAO's results from prior reviews. There are no specific requirements for lobbyists to create or maintain documentation related to disclosure reports they file under the LDA. For income and expenses, two key elements of the reports, GAO estimates that lobbyists could provide documentation for approximately 97 percent of the disclosure reports for the fourth quarter 2009 and the first three quarters of 2010. According to the documentation lobbyists provided for income and expenses, we estimate the amount disclosed was supported for 68 percent of disclosure reports. After GAO's review, 21 lobbyists stated that they planned to amend their disclosure reports to make corrections on one or more data elements. As of March 2011, 12 of the 21 amended their disclosure reports.

For political contributions reports, GAO estimates that a minimum of 2 percent of reports failed to disclose political contributions that were documented in the Federal Election Commission database.

The majority of lobbyists who newly registered with the Secretary of the Senate and Clerk of the House of Representatives in the last quarter of 2009 and first three quarters of 2010 filed required disclosure reports for that period. GAO could identify corresponding reports on file for lobbying activity for 90 percent of registrants.

The majority of lobbyists felt that the terms associated with disclosure reporting were clear and understandable. For the few lobbyists who stated that disclosure reporting terminology remained a challenge, areas of potential inconsistency and confusion in applying the terms associated with disclosure reporting requirements have been highlighted. Some lobbyists reported a lack of clarity in determining lobbying activities versus non-lobbying activities. A few lobbyists stated that they misreported on their disclosure reports because they carried information from old reports to new reports without properly updating information.

The Office is responsible for enforcement of the LDA and has the authority to pursue a civil or criminal case for noncompliance. To enforce LDA compliance, the Office has primarily focused on sending letters to lobbyists who have potentially violated the LDA by not filing disclosure reports. For calendar years 2008 and 2009, the Office sent 1,597 noncompliance letters for disclosure reports and political contributions reports. About half of the lobbyists who received noncompliance letters are now compliant. In response to an earlier GAO recommendation, the Office has developed a system to better focus enforcement efforts by tracking and recording the status of enforcement activities. The system allows the Office to monitor lobbyists who continually fail to file the required disclosure reports. The Office stated that they plan to institute procedures to formalize data review, refine summary data, and ensure data are accurate and reliable in the next few months.