



California Fair Political Practices Commission

August 8, 1988

Kathi Kossak
Livingston & Mattesich
1130 K Street, Suite 250
Sacramento, CA 95814

RE: Your Request for Advice
Our File No. A-88-294

Dear Ms. Kossak:

You have requested advice regarding the lobbying provisions of the Political Reform Act of 1974.^{1/}

QUESTION

Is your law firm, which is a registered lobbying firm and listed as a client on its own lobbying firm registration statement, required to file reports as a lobbyist employer as well as a lobbying firm?

CONCLUSION

In order to fully disclose payments made by the law firm for the purpose of attempting to influence legislative or administrative action on its own behalf, the law firm must file reports as a lobbyist employer (Form 635), in addition to its lobbying firm reports (Form 625).

FACTS

Livingston and Mattesich is a law firm which attempts to influence legislative or administrative action on behalf of several clients. The firm is registered as a lobbying firm. Anticipating that the law firm may someday wish to lobby on its own behalf, the law firm was registered as a client of its lobbying firm. During our telephone conversation on August 2, 1988, you stated that to date, no lobbying has been performed on behalf of the law firm.

^{1/}Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

ANALYSIS

Section 81002(b) states that one purpose of the Political Reform Act of 1974 is to regulate the activities of lobbyists and to have their finances disclosed in order that improper influences will not be directed at public officials. In order for this purpose to be fulfilled, the amount spent by the law firm to lobby on its own behalf must be fully disclosed. This cannot be accomplished by filing only the Form 625 (Report of Lobbying Firm).

Section 82039.5(b) defines a lobbyist employer as any person, other than a lobbying firm, who:

Contracts for the services of a lobbying firm for economic consideration, other than reimbursement for reasonable travel expenses, for the purpose of influencing legislative or administrative action.

For reporting purposes, we consider your law firm to have "contracted" with your lobbying firm for economic consideration for the purpose of influencing legislative or administrative action.

Section 86116(c) requires a lobbyist employer to file reports disclosing payments to each lobbying firm with which it contracts. When the law firm files its Form 635, it should report the payments made to its lobbyists for time spent lobbying on behalf of the law firm as payments to a lobbying firm in Part III.B. The Form 635 should not include information concerning lobbying activity performed on behalf of the law firm's clients.

In addition, Section 86116 requires the filer to report the total of all other payments to influence legislative or administrative action, including overhead expenses and all payments to employees who spend 10 percent or more of their compensated time in any one month in activities related to influencing legislative or administrative action (reported on Form 635, Part III.D.). Again, the Form 635 should include only information pertaining to expenses the law firm incurs lobbying on its own behalf.

I understand that you were told by this office that you were not required to file the Form 635. I apologize for the misunderstanding and inconvenience.

Kossak, Kathi
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If you have any further questions, please contact me at (916)
322-5662.

Sincerely,

Diane M. Griffiths
General Counsel

By: Kevin S. Braaten-Moen
Political Reform Consultant

LIVINGSTON & MATTESICH

LAW CORPORATION

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July 21, 1988

Fair Political Practices Commission
P.O. Box 807
Sacramento, California 95804-0807

Attention: Kevin

Dear Kevin:

Enclosed please find a copy of the letter I received from the Secretary of State's Political Reform Division.

As I explained to you on the telephone this afternoon, we included ourselves on our *Lobbying Firm Registration Statement* (Form 601), filling out a *Lobbying Firm Activity Authorization* (Form 602) as well, just in case we ever did any lobbying on our own behalf.

I had called your office when we originally did this and was told we didn't need to fill out a quarterly *Report of Lobbyist Employer* (Form 635) as we are a lobbying firm and any activity is reported on *Report of Lobbying Firm* (Form 625). This made complete sense to me!

Please produce a letter that affirms it is not necessary to file Form 635 so that I may send the Political Reform Division a copy.

If you have any questions please call me and thank you for your attention to this matter.

Sincerely,



Kathi Kossak
Bookkeeper



March Fong Eu
Secretary of State

1230 J Street
P.O. Box 1467
Sacramento, California 95807

POLITICAL REFORM DIVISION
(916) 322-4880

June 18, 1988

Mr. Gene Livingston, President
Livingston & Mattesich Law
Corporation
1130 K Street, Suite 250
Sacramento, CA 95814

Dear Mr. Livingston:

We have yet to receive in this office your required Lobbyist Employer quarterly report (Form 635) for the period January 1, 1987 through March 31, 1987, which was due on April 30, 1987.

Since you have authorized one or more firms to lobby on your behalf, you must file Lobbyist Employer Reports on a quarterly basis until you are deleted as a client.

Please complete the enclosed Form 635, and return the original and one copy to this office as soon as possible. You are subject to a late filing penalty of \$10 per day from the original due date of this report to the date the report is filed.

If you have any questions, please call Debra McCastle at (916) 322-0395.

Sincerely,

BOB STEELE, Manager
Political Reform Division

Enclosure

FILING REQUIREMENT

Name of Filer: Livingston & Mattesich Law Corporation
Document Required: Lobbyist Employer Report (Form 635)
Period Covered: January 1, 1987 through March 31, 1987
Date Due: April 30, 1987