



Jodi Remke, Chair  
Emelyn Rodriguez, Senior Commission Counsel  
Fair Political Practices Commission  
428 J Street, Suite 800  
Sacramento, CA 95814

Dear Ms. Remke and Ms. Rodriguez:

We write in strong support of the FPPC's proposal to strengthen Regulation 18616, regarding "Other Payments to Influence" under lobbying.

The Institute just released a report on Jan 11, 2016, "[Improving Disclosure & Transparency: A Review of California's Political Disclosure System](#)," which examined California's disclosure of political contributions, independent spending, and lobbying expenditures. In this report, we noted, "Lobbyist Employers report to the state how much they have spent, but they are allowed to report some of their spending in a broad category called 'Other payments to influence' that requires no detailed disclosure of how that money was spent." While this type of spending may have been designed originally to capture administrative expenditures, such as office supplies or rent, it has become commonplace for lobbying principals to report a significant portion of their expenses in this category, thereby obscuring from the public who received that money and for what purpose.

In total, \$768.4 million—which is 20 percent of the \$3.9 billion spent lobbying from 2000 through 2014—was reported as "Other Payments to Influence." That is a lot of money spent in the dark. Therefore, we are very pleased that the FPPC proposes to strengthen this section of California's lobbying disclosure rules.

We would also like to voice our support for additional recommendations at this time. First, we believe that all bills lobbied in connection with activities within the "Other Payment" categories should be disclosed. For example, if a lobbying principal spends money on advertisements urging the public to contact their lawmaker regarding a specific bill, that entity needs to disclose the bill when it reports the money spent on those advertisements. Further, such disclosures should be electronically searchable.

Second, we are concerned with the vagueness of "Public Affairs," one of the new subcategories the proposed regulation would create that could encompass a broad array of

activities. Since the FPPC is seeking to strengthen transparency by shedding light on the “Other Payments to Influence” category, a new opaque category should not be created in the process. Therefore, we urge the Commission to require detailed reporting of subvendor payments within the Public Affairs subcategory. As noted by other disclosure advocates, this is possible under the existing system, using the Form 460 Schedule G “payments made by an agent or independent contractor” reports (below). Detailed information itemizing the payee, amount, and purpose of each expenditure (using codes that already exist) would ensure full transparency of expenses within the Public Affairs subcategory.

**Schedule G  
Payments Made by an Agent or Independent  
Contractor (on Behalf of This Committee)**

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

Statement covers period		SCHEDULE G	
from _____	_____	<b>CALIFORNIA FORM 460</b>	
through _____	_____	Page _____ of _____	
NAME OF FILER		I.D. NUMBER	
NAME OF AGENT OR INDEPENDENT CONTRACTOR			

SEE INSTRUCTIONS ON REVERSE  
NAME OF FILER

NAME OF AGENT OR INDEPENDENT CONTRACTOR

**CODES:** If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP campaign paraphernalia/misc.	MBR member communications	RAD radio airtime and production costs
CNS campaign consultants	MTG meetings and appearances	RFD returned contributions
CTB contribution (explain nonmonetary)*	OFC office expenses	SAL campaign workers' salaries
CVC civic donations	PET petition circulating	TEL t.v. or cable airtime and production costs
FIL candidate filing/ballot fees	PHO phone banks	TRC candidate travel, lodging, and meals
FND fundraising events	POL polling and survey research	TRS staff/spouse travel, lodging, and meals
IND independent expenditure supporting/opposing others (explain)*	POS postage, delivery and messenger services	TSF transfer between committees of the same candidate/sponsor
LEG legal defense	PRO professional services (legal, accounting)	VOT voter registration
LIT campaign literature and mailings	PRT print ads	WEB information technology costs (internet, e-mail)

To summarize our key points:

- Strengthen Regulation 18616, regarding “Other Payments to Influence” under lobbying.
- Require the disclosure of bills connected to activities within these “Other” payments.
- Require detailed reporting of subvendor payments within the Public Affairs subcategory.

Thank you for the opportunity to comment. We look forward to greatly improved disclosure of lobbying expenditures in California.

Sincerely,



Edwin Bender  
Executive Director

cc: Commissioner Maria Audero  
Commissioner Eric Casher  
Commissioner Gavin Hachiya Wasserman  
Commissioner Patricia Wynn