

May 19, 1977

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Mr. Joe A. Gonsalves
925 L Street, Suite 205
Sacramento, California 95814

Dear Mr. Gonsalves:

This letter is in response to my phone conversation with your secretary on May 10, 1977, regarding the following questions you had with respect to reporting lobbying expenses incurred by your son, a registered lobbyist, charged on your credit card and paid for by you as his lobbyist employer:

- (1) Do the expenses have to be reported on your son's lobbyist report, your lobbyist employer report and/or both?
- (2) Does the furnishing of a credit card by you represent an advance of funds to your son that must be reported on page 1, part 1 of your lobbyist employer report and your son's lobbyist report as "advances or other payments?"

With respect to your first question, the Commission, through administrative regulations, has stated that, in general, a lobbyist must report all expenses incurred in connection with his or her lobbying activities. "...a general lobbying expense is 'incurred by a lobbyist' if the lobbyist makes the primary decision on where, whether or how any good or service used by the lobbyist in connection with his lobbying activity is acquired or used..." (2 Cal Adm. Code Section 18615(a)(6)). Therefore, if your son incurs expenses in connection with his lobbying activities that are charged on your credit card, he should report those expenses on his periodic lobbyist report and identify them as such, even though they are paid by you. In Opinion 75-057 requested by John W. Witt (1 FPPC OP 145), the Commission stated "...the employer of a lobbyist must report the amount of payments to influence legislative or administrative action... However, the itemization required in the lobbyist's report need not be duplicated in the employer's report..." Therefore, when you, as your son's employer, pay the expenses he has charged on your

May 19, 1977

credit card, you should report the payments to the credit card company in lump sum as payments in support or assistance of a lobbyist on page 2 of the Form 650.

With respect to your second question, a lobbyist is required to report on page 1 of the lobbyist report, Forms 620 or 625: "...the name and address of each individual, group, or organization who has paid the lobbyist to engage in lobbying activities on its behalf during the period..." (Instruction Manual for Lobbyists, June 1976, page 6.) A lobbyist employer is required to report on page 1 of the lobbyist employer report, Form 650, the following payments described in Section 82045(a): "Direct or indirect payment to a lobbyist whether for salary, fee, compensation for expenses, or any other purpose, by a person employing or contracting for the services of the lobbyist separately or jointly with other persons." (Instruction Manual for Form 650, June 1976, page 6.) When a lobbyist incurs expenses and charges them to his or her employer's credit card, the employer has not made a payment to a lobbyist, nor has the lobbyist received a payment. Therefore, the amounts do not have to be reported on page 1 of either the lobbyist report or the employer report as "advances or other payments."

If I can be of further assistance, do not hesitate to contact me.

Sincerely,

ALAN HERNDON
Compliance Representative