

RAVI MEHTA
CHAIRMAN



FAIR POLITICAL PRACTICES COMMISSION

June 7, 1995

Mr. Richard E Ratcliff
Applied Strategies
1100 N Street, Suite 5B
Sacramento, CA 95814

Re: Your Request for Advice
Our File No. A-95-158

Dear Mr. Ratcliff:

You have requested advice concerning your reporting obligations under the lobbying disclosure provisions of the Political Reform Act (the "Act").^{1/}

QUESTION

During what reporting period must Pennzoil, a lobbyist employer, disclose a payment made to Applied Strategies, a lobbying firm, and when must Applied Strategies disclose the payment?

CONCLUSION

Pennzoil must disclose a payment to Applied Strategies during the calendar quarter in which it makes the payment. Applied Strategies must disclose the payment during the calendar quarter in which it is received. If the service for which payment is received or made was performed in a previous quarter, a notation when the services were rendered is required.

^{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

The Act requires lobbyist employers and lobbying firms to disclose payments for lobbying services. (Sections 86116 and 86114). Regulation 18616 clarifies disclosure requirements of lobbyist employers and states:

...(b) Payments to Lobbying Firms. Lobbyist employers shall disclose on their periodic reports the total amount of payments, including reimbursement for expenses, made to each lobbying firm during the period, and the name and address of the lobbying firm which received the payments. The lobbyist employer shall indicate on the report if the payment was made for services provided in a previous calendar quarter....

Regulation 18613 clarifies disclosure requirements of lobbying firms and states:

(a) Reporting Payments Received.

The periodic reports filed by a lobbying firm shall show all payments received in connection with lobbying activity during the period. To the extent that payments received by a lobbying firm are only partially in connection with lobbying activities, the lobbying firm shall report only that portion which was received for lobbying activities. When reporting payments received, the lobbying firm shall disclose:

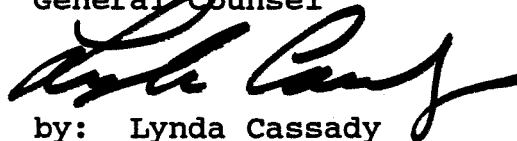
- (1) The full name, address and telephone number of the person or entity making the payment;
- (2) The date the payment was received;
- (3) The amount of the payment;
- (4) If the payment was received after the calendar quarter in which the services were provided, the calendar quarter in which the services were provided.

Using your example, if Pennzoil sends Applied Strategies a payment on March 30, Pennzoil will disclose the payment on a statement covering the first calendar quarter. If the payment was for services rendered prior to the first calendar quarter, a notation when services were rendered is required. Since Applied Strategies will receive the payment in April, it must report the payment on a statement covering the second calendar quarter. Similarly, if the payment was for services rendered before the second calendar quarter, a footnote indicating the quarter in which services were rendered is required.

If you have questions concerning this letter, please contact me at (916) 322-5660.

Sincerely,

Steven G. Churchwell
General Counsel

A handwritten signature in black ink, appearing to read "Lynda Cassady", written over the typed name.

by: Lynda Cassady
Assistant Division Chief
Technical Assistance Division