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# Item 9

## Action

### *Lobbying Recommendations*

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**Executive Summary:** This item presents recommendations to improve the Municipal Lobbying Ordinance.

**Recommended Action:** Approve the recommendations in Attachment F.

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# *Lobbying Recommendations*

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## **A. Introduction**

At the August 2017 meeting, following a comprehensive review spanning nearly two years, staff presented a complete set of recommendations to update the Municipal Lobbying Ordinance (MLO). A copy of the report presented at that meeting is provided in Attachment A.

In light of the public comments made at that meeting, the Ethics Commission members asked the staff to conduct additional interested persons meetings and to revisit five of the recommendations. This report responds to those requests, discussing additional outreach in Section B and the specified recommendations in Section C.

## **B. Additional Outreach**

At the last meeting, staff was asked to continue soliciting input on the lobbying recommendations by holding two additional interested persons meetings. Three additional interested persons meetings were actually held on September 7, 9, and 13. In addition, staff visited and solicited input from four regional alliances of neighborhood councils, representing 65 neighborhood councils throughout the City.

Staff has also received more written comments regarding the lobbying recommendations. To date this year, 44 written comments have been submitted, with 20 generally in support of the recommendations, 20 generally opposed to the recommendations, and four that cannot be neatly classified. Comments from the public tend to support the recommendations or state that they do not go far enough. Comments from lobbyists and nonprofit organizations tend to oppose the recommendations or state that they go too far. Copies of all written comments received this year are provided in Attachment H.

## **C. Revisited Recommendations**

The Ethics Commission members asked the staff to revisit five specific recommendations: the reporting period, the filing deadline, the information that must be reported regarding direct communications, the 501(c)(3) exemption, and the private attorney general provision. More detail about each of those recommendations is provided below.

It is important to note that there are many ways to reasonably approach the disclosure of lobbying activity. From jurisdiction to jurisdiction, no two sets of lobbying laws are identical. It is not surprising, therefore, that opinions about what the MLO should look like are varied. The regulated community experiences the law very differently from the way the public does. For example, what seems necessary to a City resident who is trying to understand how City dollars are spent may seem burdensome to a lobbyist. And the challenge is that both perspectives may be valid.

The staff is always sensitive to the competing views that surround all of our laws, and different perspectives about the MLO were considered in the shaping of the recommendations presented at the last meeting. The staff continues to believe that those recommendations strike a reasonable balance between the rights of the public and the responsibilities imposed on lobbying entities. As a result, this report does not modify the recommendations made in August. A copy of proposed ordinance language that reflects those recommendations is provided in Attachment F.

However, the recommendations can certainly be modified. If you believe that changes should be made, the staff stands ready to make them. The goal of this report is to help ensure that you have all the information you need to make decisions about the recommendations. To that end, summaries of each of the five revisited recommendations are provided below in table format. The tables identify the current law, the recommendations made at the last meeting, the public comments in support of and opposition to the recommendations (which were largely the same before and after the August meeting), and the staff’s analyses. Additional background information is also provided as a footnote to the table that addresses the private attorney general provision.

## REPORTING PERIOD

<b>Current Law</b>	Quarterly
<b>Recommendation</b>	Bi-monthly
<b>Public Support</b>	<ul style="list-style-type: none"> <li>• Benefits the public and decision makers with more timely information.</li> </ul>
<b>Public Opposition</b>	<ul style="list-style-type: none"> <li>• Burdensome to the regulated community.</li> <li>• Strains the limited resources of small nonprofit organizations.</li> <li>• More frequent disclosure may be feasible if less disclosure is required.</li> </ul>
<b>Staff Analysis</b>	<ul style="list-style-type: none"> <li>• The goal is to benefit the public, including those who may have opposing views, by providing more timely information about significant lobbying efforts and who is behind those efforts.</li> <li>• It is currently possible for the public to be unaware of lobbying efforts until four months after they occur and possibly after the issue has been decided.</li> <li>• Bi-monthly reporting is required in 14 states and the cities of Denver and New York.</li> <li>• Even shorter reporting periods exist in some jurisdictions, including San Francisco (monthly) and San Jose (weekly).</li> <li>• New York has indicated that a shorter reporting period helps promote compliance and that more frequent reporting makes their filers more familiar with the reporting requirements.</li> </ul>

## FILING DEADLINE

<b>Current Law</b>	Last day of the month following the end of the quarterly reporting period.
<b>August Recommendation</b>	10 days after the end of the bi-monthly reporting period.
<b>Public Support</b>	<ul style="list-style-type: none"> <li>• Benefits the public and decision makers with more timely information.</li> <li>• The current deadline provides too much time and delays disclosure.</li> </ul>
<b>Public Opposition</b>	<ul style="list-style-type: none"> <li>• Burdensome to the regulated community, especially administrative staff who typically prepare reports.</li> <li>• Does not provide adequate time to prepare reports when factoring in weekend and holidays.</li> <li>• MLO requires more disclosure than any other jurisdiction.</li> <li>• Strains the limited resources of small nonprofit organizations.</li> <li>• Will make compliance difficult.</li> <li>• Deadline should be 15, 20, 30, or 45 days after the end of the reporting period.</li> </ul>
<b>Staff Analysis</b>	<ul style="list-style-type: none"> <li>• The goal is to benefit the public, including those who may have opposing views, by providing more timely information about significant lobbying efforts and who is behind those efforts.</li> <li>• Other deadlines, such as 15 or 20 days, could still meet the goal of more timely disclosure. It would likely be more beneficial to the public to maintain the recommended level of disclosure and adjust the reporting deadline to accommodate the additional reporting.</li> <li>• It is currently possible for the public to be unaware of lobbying efforts until four months after they occur and possibly after the issue has been decided.</li> <li>• The Lobbying Electronic Filing System allows filers to enter and save information before the end of the reporting period, so that reporting can be done incrementally as reportable activity occurs.</li> <li>• If a shorter reporting period is approved, less activity will have to be disclosed with each report.</li> <li>• Eleven of the 14 states with bi-monthly reporting periods have filing deadlines of 10 or 15 days after the reporting period.</li> <li>• New York and Denver have filing deadlines 15 days after their bi-monthly reporting periods.</li> <li>• Similar filing deadlines exist in other jurisdictions, including San Francisco (15 days for a monthly report), Houston (10 days for a quarterly report), and Georgia (5 days for a monthly report).</li> <li>• A comparison of disclosure requirements in other jurisdictions is provided in Attachment E.</li> </ul>

## DIRECT COMMUNICATIONS

<b>Current Law</b>	Disclosure of City agency attempted to influence.
<b>August Recommendation</b>	Disclosure of direct communications with City officials, including the date and the official's title, division, and agency.
<b>Public Support</b>	<ul style="list-style-type: none"> <li>• Gives the public a better understanding of the type and level of lobbying activity taking place.</li> <li>• Public records request will be more precise, decreasing the need for broad requests of entire offices or a wide date range.</li> </ul>
<b>Public Opposition</b>	<ul style="list-style-type: none"> <li>• Burdensome to the regulated community, who may not know who they are meeting with.</li> <li>• Could lead to unfair enforcement actions.</li> <li>• Agency or division lobbied is sufficient disclosure information.</li> </ul>
<b>Staff Analysis</b>	<ul style="list-style-type: none"> <li>• The goal is to benefit the public by providing more context regarding direct communications.</li> <li>• Some City agencies and divisions have thousands of employees, making the current reporting requirement insufficient for meaningful disclosure.</li> <li>• This may help the public identify the stage of the decision making process at which the lobbying activity is taking place.</li> <li>• Other jurisdictions require even more detail, including San Diego (name and department of official), San Francisco (date and name of officer), and San Jose (date, name of official, and method of communication).</li> </ul>

## 501(C)(3) EXEMPTION

<b>Current Law</b>	501(c)(3) organizations that receive government funding for representing the interests of indigent persons, are created primarily to provide direct services to those persons, and provide direct services free of charge (and their employees engaged in that activity).
<b>August Recommendation</b>	501(c)(3) organizations that receive any type of government funding and are created primarily to provide basic life assistance to disadvantaged clients at a below-market rate (and their employees and board members engaged in that activity).
<b>Public Support</b>	<ul style="list-style-type: none"> <li>• 501(c)(3)s should be required to register when engaging in the kind of lobbying activity that requires others to register.</li> <li>• Not requiring 501(c)(3)s to register results in unfair preferential treatment.</li> <li>• A complete or broader exemption could create a loophole for others to skirt registration.</li> </ul>

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## 501(C)(3) EXEMPTION *cont'd*

<p><b>Public Opposition</b></p>	<ul style="list-style-type: none"> <li>• 501(c)(3)s should be entirely or more broadly exempt because their purposes are different from for-profit entities.</li> <li>• 501(c)(3)s should be entirely exempt because they work to improve the community.</li> <li>• Regulation will have a chilling effect on the 501(c)(3)s that engage in lobbying.</li> <li>• Lobbying regulation has a negative connotation for 501(c)(3)s.</li> <li>• Requiring government funding is too restrictive.</li> <li>• 501(c)(3)s that have a budget below a certain amount should be exempt.</li> <li>• 501(c)(3)s that promote building healthy communities should be exempt.</li> <li>• Basic life assistance should be expanded to include relief and education.</li> </ul>
<p><b>Staff Analysis</b></p>	<ul style="list-style-type: none"> <li>• The goal is to support the public's right to fully understand significant lobbying efforts in the City while recognizing that certain 501(c)(3)s provide important services to the most vulnerable in society.</li> <li>• The MLO is a disclosure law based on the level of lobbying activity, not the content or purpose of the lobbying.</li> <li>• Entirely or more broadly exempting 501(c)(3)s could be viewed as the City unfairly favoring one viewpoint over another.</li> <li>• Entirely or more broadly exempting 501(c)(3)s could create a loophole that reduces public disclosure by encouraging for-profit enterprises to create nonprofit organizations through which they could avoid regulation under the MLO.</li> <li>• The public has an important interest in knowing all of the interests that are engaged in significant levels of lobbying.</li> <li>• The MLO currently regulates 501(c)(3)s, and the recommendation actually expands the exemption.</li> <li>• Nine of the 10 largest cities in the United States regulate the lobbying activities of 501(c)(3)s. Three cities (New York, Phoenix, and San Diego) do not provide even limited exemptions.</li> <li>• The staff provides advice free of charge to anyone, including 501(c)(3)s, who needs assistance in complying with the law.</li> <li>• The recommendations define a lobbyist as an individual who receives at least \$5,000 per year in compensation for lobbying activities. Under that definition, an individual who earns \$40/hour (\$83,200/year) could engage in 125 hours of compensated lobbying activities before having to register and report. In contrast, under the current law, an individual triggers registration and reporting in just 30 compensated hours.</li> </ul>

*continued*

## 501(C)(3) EXEMPTION *cont'd*

	<ul style="list-style-type: none"> <li>• The MLO is a disclosure law, and the recommendations significantly narrow the regulatory focus to lobbying activity that the public does not otherwise have access to. As a result, the recommendations allow 501(c)(3)s (and all other persons) to engage in 13 types of activities without triggering regulation. See proposed LAMC § 48.02(X); Attachment X, p. X.</li> <li>• In contrast to the current law, the proposed definition of “direct communication” permits persons to communicate on the record at public meetings and submit documents that are made part of the record of public meetings without triggering registration or reporting. That means that (without taking into consideration federal laws regarding tax-exempt status), a 501(c)(3) could spend all of its time communicating with City employees in public meetings without having to register or report.</li> <li>• Technical changes have been made to the proposed exemption language, to clarify and incorporate modern terminology.</li> </ul>
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## PRIVATE ATTORNEY GENERAL

<b>Current Law</b>	No private attorney general provision exists in the MLO.
<b>August Recommendation</b>	Incorporate into the MLO the private attorney general provision that currently exists in the Ethics Commission’s other laws.
<b>Public Support</b>	<ul style="list-style-type: none"> <li>• No public input provided.</li> </ul>
<b>Public Opposition</b>	<ul style="list-style-type: none"> <li>• Could be abused and used for retaliation.</li> <li>• Such provisions are only needed when an agency does not have the ability to enforce the law, but the Ethics Commission already actively enforces the law.</li> </ul>
<b>Staff Analysis*</b>	<ul style="list-style-type: none"> <li>• The goal is to create consistency across all of the Ethics Commission’s laws and empower the public to help uphold City law without the limitations created by resource gaps.</li> <li>• The provision supplements Ethics Commission efforts to deter and enforce against violations of the MLO.</li> <li>• Los Angeles voters enacted a private attorney general provision in the Charter with regard to campaign finance.</li> <li>• Since then, similar provisions have been added to the Campaign Finance Ordinance and the Governmental Ethics Ordinance.</li> <li>• Aligning the MLO with the other laws in the Ethics Commission’s jurisdiction assigns the same level of gravity and enforcement capabilities to lobbying violations that can be assigned to violations of the City’s campaign finance and governmental ethics laws.</li> <li>• In the Ethics Commission’s 27-year history, only two individuals have pursued a private right of action.</li> </ul>

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## PRIVATE ATTORNEY GENERAL *cont'd*

- Abuse of private attorney general provisions tends to be limited by the time and money necessary to pursue a civil lawsuit.
- Procedural safeguards in the provision also help limit possible abuse.
- Private attorney general provisions are common and have been incorporated into laws at every level of government.

*\* A private attorney general provision allows an individual to step into the shoes of the government and bring a private civil action to enforce the law on behalf of the public. It helps fill prosecutorial gaps and fosters enforcement of the laws by encouraging individuals to come forward with evidence of wrongdoing and recoup a potential award of attorneys' fees, damages, or a percentage of any recovered funds or assessed penalty. These private civil actions supplement the work of government agencies that lack sufficient resources to investigate and enforce every violation.*

*Private attorney general provisions are quite common and have been codified into statute at every level of government. One of the most well-known provisions is the Federal False Claims Act, which allows an individual to file suit on behalf of the federal government to recover losses resulting from the government's payment of fraudulent claims. 18 U.S.C. §§ 1961–1968; 31 U.S.C. §§ 3729–3733.*

*At the state level, the Political Reform Act permits any resident to sue to enjoin violations or compel compliance. Cal. Gov't Code § 91003. Other examples of private attorney general provisions in state law include its False Claims Act, the Insurance Frauds Prevention Act, and the Labor Code's Private Attorney Generals Act. See Cal. Gov't Code §§ 12650 et seq.; Cal. Ins. Code § 1871.7; Cal. Labor Code § 2699.*

*As enacted by City voters, the Charter allows a private individual to file a civil lawsuit for violations of its campaign finance provisions after serving notice of intention. Charter §§ 470(O)(2)(D), 803(v)(2)(D). The Governmental Ethics Ordinance and the Campaign Finance Ordinance contain similar provisions. See LAMC §§ 49.5.16(B)(3), 49.7.38(B)(3).*

*When challenged in the courts, private attorney general provisions are routinely upheld. See Tellabs, Inc. v. Makor Issues & Rights, Ltd., 551 U.S. 308, 313 (2007) (“This Court has long recognized that meritorious private actions...are an essential supplement to actions brought...by the Department of Justice and the Securities and Exchange Commission.”); United States ex rel. Kelly v. Boeing Co. (9th Cir. 1993) 9 F.3d 743, (private enforcement provisions of the Federal False Claims Act do not violate the constitutional principles of standing, separation of powers, appointments, or due process).*

### **D. Other Input**

In addition to the five revisited recommendations, other topics have also been raised through public comment. These other comments have included support for incorporating

neighborhood councils into the definition of “agency”, a suggestion that lobbyists be required to identify themselves when communicating with a City official, a suggestion that former City employees identify their rank in addition to their last date of City service, and a suggestion that lobbying in the early stages of a land use matter be exempt.

They have included both support for returning to a monetary-based definition of “lobbyist” (citing benefits to both compliance and enforcement) and opposition to it (suggesting instead that it should be based on the number of contacts an individual has with City officials). They have included concern that many individuals who qualify as lobbyists are not registering.

And they have included competing views about how reasonable the disclosure recommendations are. One view is that requiring lobbying entities to disclose their political contributions and their lobbying expenditures is burdensome. Another view is that it is unconvincing to say the disclosure is burdensome, because lobbying has not stopped in other jurisdictions that have more rigorous disclosure requirements.

Copies of all written comments received this year are provided in Attachment H.

## **E. Conclusion**

We recommend that the MLO—an important law that is over 23 years old—be updated. The updates that were recommended at the last meeting are based on our experiences administering the MLO, our understanding of practices in other jurisdictions, and our assessment of the perspectives voiced during this review. However, we understand that there are multiple ways to reasonably regulate lobbying and that opinions can vary widely about what is most appropriate in any given jurisdiction. With all of that in mind, we recommend that you approve the proposed ordinance language in Attachment F, with any desired modifications.

We look forward to continuing the discussion regarding the MLO. Any approved recommendations must be transmitted to the City Council for their consideration.

### *Attachments:*

- A Lobbying Recommendations Report (August 15, 2017)*
- B Key Definitions: Current v. Recommended*
- C Quick Guide to Key Recommendations*
- D Quick Guide to Registration and Disclosure Contents*
- E Comparison Chart with Other Jurisdictions*
- F Recommended Municipal Lobbying Ordinance (clean)*
- G Recommended Municipal Lobbying Ordinance (redline)*
- H Written Public Comments*

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# *Lobbying Recommendations*

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## **A. Introduction**

The Los Angeles City Charter (Charter) charges the Ethics Commission with periodically evaluating and making recommendations concerning the effectiveness of the laws within its jurisdiction. Charter § 702(f). In the last five years, the Ethics Commission has conducted comprehensive reviews of the City’s campaign finance laws, governmental ethics laws, enforcement regulations, and advice regulations.

The Ethics Commission has since launched a review of the Municipal Lobbying Ordinance (MLO). This report continues that conversation and provides a complete set of recommendations regarding the MLO. Staff presented recommendations regarding key definitions, exemptions, and prohibitions at the Ethics Commission meetings on August 9 and October 18, 2016. Those recommendations were approved in concept, and two are revisited below in Section E. The new recommendations, which affect issues such as registration and reporting, are explained in Section F.

A number of attachments are provided to assist in this review. The definitions, including those that have already been conceptually approved, are included in Attachment A. Key recommendations are summarized in Attachment B, and Attachment C summarizes the recommended contents of registration and disclosure statements. Attachments D and E are clean and redlined versions of the proposed MLO, and Attachment F provides the written comments that have been received to date.

## **B. History**

City laws regulating the conduct of lobbyists have been in effect for 50 years. On July 1, 1967, the City enacted its first ordinance regulating lobbying activities by requiring any person who attempted to influence municipal legislation for pay to register with the City Clerk as a “municipal legislative advocate.” *See previous* Los Angeles Municipal Code (LAMC) §§ 48.02-08. Once registered, legislative advocates had quarterly reporting requirements and were subject to regulations regarding their conduct.

After Los Angeles voters created the Ethics Commission in 1990, the legislative advocate ordinance was repealed and replaced by the MLO. *See* Ordinance No. 169916, effective August 10, 1994; LAMC §§ 48.01 *et seq.* The MLO currently requires registration by lobbyists and lobbying firms, as well as quarterly disclosures by lobbyists, lobbying firms, lobbyist employers, and major filers regarding their lobbying activities, compensation, expenses, and political activities.

Over the years, the MLO has undergone relatively few amendments, all of which were addressed in a piecemeal fashion. For example, the definition of “lobbyist” was amended in

2007, as the result of a measure placed on the ballot by the City Council. *See* Measure H, adopted November 7, 2006; effective January 15, 2007. More recently, in 2013, the Ethics Commission recommended and the City Council adopted a requirement that lobbying entities register and report their activities electronically. LAMC § 48.06(B).

The Ethics Commission conducted a comprehensive review of the MLO in 2008, but the resulting recommendations were not implemented by the City Council at that time. This review is informed by that one. However, because we have gained more experience in administering the laws in the intervening eight years, this review is not identical.

### **C. Process**

As with each of our policy reviews, we have engaged in many hours of staff discussions, across all of the disciplines within the agency and based on our experiences administering the MLO over the past 23 years. As part of that process, we reviewed the lobbying laws of other jurisdictions, including cities and other jurisdictions in California and across the United States, to provide context for our law. We have also held discussions, both in person and by phone, with representatives of other City agencies and with practitioners from other jurisdictions.

An important part of any policy review is hearing from the public and the regulated communities. Over the past 18 months, staff has solicited input on multiple occasions from thousands of email subscribers. Staff held several interested persons meetings, reached out to numerous non-profit organizations, and contacted several registered lobbying entities. Staff also worked with the Department of Neighborhood Empowerment to solicit input from neighborhood councils. Written comments that have been received to date are provided in Attachment F.

### **D. Guiding Principles**

The primary purpose of any lobbying law should be to promote transparency and accountability in government. While a variety of different lobbying systems exist around the country, we have sought to arrive at the answers that are best for our jurisdiction. To that end, we have endeavored to ensure that our recommendations reflect the following six principles, which are enumerated in the MLO:

1. City government exists to serve the needs of all citizens.
2. The public has a right to know the identities of the interests that attempt to influence City decisions, as well as the means those interests employ.
3. All persons engaged in compensated lobbying should be subject to the same regulations, regardless of their background, training, qualifications, or licenses.
4. Complete public disclosure of the full range of lobbyist activities and their financing is essential to maintaining public confidence in the integrity of local government.

5. Lobbyists must not misrepresent facts, their positions, or attempt to deceive officials through false communications, place City officials under personal obligation to themselves or their clients, or represent that they can control the actions of City officials.
6. Any amendments to the City's lobbying laws must ensure adequate and effective disclosure of information about efforts to lobby City government.

LAMC § 48.01(B). These findings and principles underscore the City's historic goal of ensuring adequate and effective public disclosure about lobbying activity, while acknowledging the vital role that lobbying plays in City life. Lobbyists can and do help individuals and organizations effectively educate and communicate their views to the City's decision makers and can thereby help to improve outcomes for the community as a whole. The nonprofit organization, City Ethics, states the following in its 2016 publication, *The Regulation of Local Lobbying*:

[I]t is important to acknowledge that lobbying ... is not a bad thing in and of itself. In fact, it plays an important role in our democracy. It is a way for citizens (including those who run businesses as well as those who lead citizen groups) to get their opinions heard by government officials; it is a way to educate government officials and the public; and it is a way to provide specialized expertise to government.

Wechsler, Robert, *The Regulation of Local Lobbying*, 2016, p. 26. To that end, the MLO is not intended to interfere with or limit lobbying. Instead, it is simply a statement that when lobbying activity reaches significant levels, the public has a right to know who is trying to influence the way government is run and how public tax dollars are spent.

The transparency that the MLO fosters is important, because it may encourage public officials "to meet with multiple parties in a matter and ... hear a range of views, which will help them make decisions in a more fair, balanced manner and, presumably, more in the public interest, rather than in the interest of well-connected companies." *Id.* at 29-30. Transparency is also important to avoid the appearance of impropriety. "[I]t is on the basis of appearances that citizens decide how much to participate in local government, including by voting." *Id.* at 30.

In short, the MLO is a disclosure law that is designed to support an informed citizenry, protect City decision makers, and promote accountability for those who attempt to influence City decisions.

## **E. Existing Recommendations**

Most of the recommendations that were previously presented were approved in concept, and they are included in Attachment A. However, staff was asked to revisit two specific areas: the definition of "lobbyist" and 501(c)(3) organizations.

## 1. Definition of “Lobbyist”

It was noted in our previous discussions that the most fundamental issue of any lobbying law is who qualifies as a lobbyist. For 40 years, from 1967 to 2007, City law defined a lobbyist as an individual who received or became entitled to receive compensation for lobbying activity. *See* former LAMC § 48.02(a), effective 1967; former LAMC § 48.02, effective 1994. However, with the adoption of Measure H, which was placed on the ballot without the Ethics Commission being able to weigh in, the definition was altered to focus on time rather than money. The MLO currently defines a lobbyist as an individual who is compensated to spend 30 or more hours in any consecutive three-month period engaged in lobbying activity. LAMC § 48.02.

To enhance transparency and accountability, we recommend returning to a compensation-based definition of “lobbyist”. In August and October of 2016, we recommended that a lobbyist be defined as an individual who becomes entitled to receive \$2,000 or more in a calendar year for lobbying on behalf of another person. The \$2,000 threshold was recommended because it aligned with the campaign finance disclosure threshold, another law designed to inform the public about money spent to influence action.

Members of the Ethics Commission agreed on the concept of returning to a compensation-based definition; however, they asked staff to consider raising the threshold to \$5,000 or more in a calendar year. Staff has revisited the definition and, for the following reasons, concurs with a \$5,000 threshold.

An annual threshold of \$5,000 would continue to reflect the Ethics Commission’s historic view that not every person engaged in lobbying activities should be subject to regulation. Increasing the registration threshold helps alleviate the concerns that the previously proposed threshold was too low and would impose regulation on persons who are not engaged in significant levels of lobbying.

A registration threshold of \$5,000 also compares favorably with thresholds in other cities. Of the ten largest cities in the United States, Los Angeles is the only one that does not currently have a compensation-based registration threshold. Six have a threshold of \$800 or less per year (including four that have no dollar value threshold). *See* Chicago Municipal Code (CMC) Ch. 2-156- 010 (p); Houston Code of Ordinances (HCO), Art. 5 Sec. 18-71; Phoenix City Code (PCC) § 2-1000.7; San Antonio Ethics Code (SAEC) Art. III, Div. 5 § 2-62(h); San Diego Municipal Code (SDMC) § 27.4002; Dallas City Code (DCC), Art. II-A. § 12A-15.3. However, the threshold in San Jose is roughly equivalent to \$4,000 per year, the threshold in New York City is \$5,000 per year, and the threshold in Philadelphia is \$10,000 per year. *See* New York Legislative Law (NYLL), Art. 1-A § 1-e.; San Jose Municipal Code (SJMC) § 12.12.180; Philadelphia Code (PC), Ch. 20-1200. § 9.2(b). Therefore, a \$5,000 threshold is certainly in keeping with laws in other major municipal jurisdictions.

For these reasons, staff now recommends a registration threshold of \$5,000 per year. *See* proposed LAMC § 48.02(T); Attachment A, p. 5; Attachment D, p. 5.

## 2. 501(c)(3) Organizations

The MLO currently exempts from regulation an organization that is tax-exempt under section 501(c)(3) of the Internal Revenue Code if it receives government funding and provides direct representation services free of charge to indigent persons. LAMC § 48.03(E). At the August 2016 meeting, staff recommended expanding the current exemption to include any 501(c)(3) organization that provides basic life assistance (food, clothing, shelter, child care, health, legal, and vocational services) directly to indigent individuals at a rate that is significantly below market. *See* proposed LAMC § 48.03(E); Attachment B, p. 4; Attachment D, p. 5. The exemption would not apply when an organization engages in other activity, such as seeking funding, property, or a permit from the City on its own behalf.

Staff had met with representatives of the nonprofit community beforehand, to hear their concerns and receive their input. During those discussions, the nonprofit community expressed a preference for entirely exempting all 501(c)(3) organizations from regulation, narrowing the definition of “lobbying activities,” and reducing registration fees.

At the October 2016 meeting, members of the Ethics Commission asked staff to continue to research the nonprofit issue, which we have done. We sought input from other municipalities, consulted with the City Attorney’s Office, and met again with representatives of the nonprofit community, who reiterated their previous requests.

After assessing all of the input and research, we continue to believe that the original recommendation strikes the right balance between the burden of regulation and the benefit of disclosure. We believe that a complete exemption of 501(c)(3) organizations is inconsistent with the MLO’s guiding principles that the public has a right to know who is attempting to influence City decisions, regardless of why, and that there is a need for robust public disclosure regarding lobbying activity and the funding sources behind it.

The MLO has always been—and should continue to be—a law that does not consider the reason a person engages in lobbying. One person’s perspectives on how government should be run are just as valid as another’s, and we believe the MLO should treat similarly situated persons similarly.

[T]he lobbying of nonprofits should be just as transparent as any other lobbying. Lobbying programs should be fair as possible, and their registers should present as complete as possible a view of lobbying on any particular matter, not only the lobbying of for-profit companies.

Wechsler, Robert, *The Regulation of Local Lobbying*, 2016, p. 83. The public has a right to know all of the interests that are engaged in significant attempts to influence City decisions. Without that knowledge, public disclosure is incomplete at best and misleading at worst.

This approach is consistent with that of other major municipal jurisdictions. In nine of the ten largest cities in the United States, a 501(c)(3) organization may be subject to lobbying regulation. *See* LAMC § 48.03(E); NYLL Art. 1-A § 1-c.(G); CMC Ch. 2-156- 220 (a); HCO,

Art. 5 §. 18-72; PCC § 2-1002.1; SAEC Art. III, Div. 5 § 2-64 (2); SDMC § 27.4004; DCC, Art. II-A. § 12A-15.4 Three cities—New York, Phoenix, and San Diego—do not provide even limited exemptions, such as the one that currently exists and is recommended for the MLO. *See* NYLL, Art. 1-A § 1-e; PCC § 2-1000.7; SDMC § 27.4002.

Tying in to the discussion above in Section E.1, a lobbyist registration threshold of \$5,000 per year is 150 percent higher than the previously proposed threshold. A higher registration threshold will help alleviate concerns regarding 501(c)(3) organizations that engage in only minimal lobbying activities.

Finally, one of the concerns raised by the nonprofit community is the cost of complying with their registration and reporting obligations. One of the Ethics Commission’s mandates is to educate its regulated communities and assist them in complying with the laws. Accordingly, the staff gladly helps any filer in need, at no cost, and is available to do the same for nonprofit organizations.

## **F. New Recommendations**

In addition to the recommendations that were previously approved, staff now makes new recommendations regarding the remaining provisions in the MLO. The following sections detail key recommendations regarding definitions, prohibitions, record keeping, registration, disclosure, and enforcement. Attachments B and C summarize the key recommendations.

### 1. Definitions

#### *a. Agency*

Currently, the MLO’s definition of “agency” includes the any department, bureau, office, board, commission, or body that is required to adopt a conflict of interests code subject City Council approval. LAMC § 48.02. This definition does not capture neighborhood councils, which are exempt from adopting a conflict of interest code. *See* Cal. Gov’t Code § 87300, 2 Cal. Code Regs § 18751; Los Angeles Administrative Code (LAAC) §§ 2.20.1–2.20.2.

We recommend including neighborhood councils in the MLO’s definition of “agency”. *See* proposed LAMC § 48.02(A); Attachment A, p. 1; Attachment D, p. 1. The neighborhood council system is vast. As of January 2017, the City had 96 individual neighborhood councils, each representing an average of 38,000 residents. Since its inception in 1999, the system has taken on an increasingly significant role in City processes. Neighborhood councils receive advance notice of City issues so that they can weigh in with their opinions. They hold public hearings about matters before the City Council and submit community impact statements on those matters. Charter § 908. They are entitled to address any City body regarding official business. They have the authority to spend public funds. Charter § 911. They are actively involved in the City’s budget process each year and meet with the Mayor and City Council regarding the neighborhood council budget priorities. Charter § 909. They also monitor City services in their respective areas. Charter § 910.

The members of each neighborhood council, numbering more than 1,500 individuals, are public officials who are subject to state governmental ethics laws such as gift limits and the requirement that they disqualify themselves from participating in City decisions in which they have a financial interest. *See, e.g.*, Cal. Gov't Code § 87100. In addition, some City employees, including staff in elected City offices, have been members of neighborhood councils.

When the MLO was adopted, the neighborhood council system did not exist. There was no decision to exclude neighborhood councils from the definition of “agency”—they simply were not part of the City framework. Because they are now, we believe it is important for the public to be informed when significant levels of lobbying activity are invested with them.

### *b. Indirect Lobbyist*

At the October 2016 meeting, staff proposed modifying the definition of “major filer” in two ways. First, by relabeling it with the term “issue advocate”; and second, by aligning the definition with that of the previously proposed definition of “lobbyist”. In other words, the proposed definition would be a person who makes or incurs expenditures totaling \$2,000 or more for the purpose of attempting to influence action. We recommend two adjustments to this definition.

We continue to recommend a different label; but, to use more intuitive language and eliminate potential confusion with a term used in the campaign finance arena, we now recommend the term “indirect lobbyist”. We also now recommend retaining the current definition of a person, whether an entity or an individual, who spends \$5,000 to attempt to influence City action. *See* proposed LAMC § 48.02(P); Attachment A, p. 4; Attachment D, p. 4. As noted above in Section E.1, we recommend a registration threshold of \$5,000 per year for lobbyists. To ensure consistency and equity, we now recommend a registration threshold of \$5,000 for indirect lobbyists.

## 2. Prohibitions

The Ethics Commission has conceptually approved amendments to the list of activities that are prohibited for lobbying entities. *See* proposed LAMC § 48.04(A); Attachment B, p. 4; Attachment D, p. 6. We recommend one additional amendment, which would prohibit clients from offering, making, or arranging a gift to a City employee if the client’s lobbyist or lobbying firm could not make the gift. *See* proposed LAMC § 48.04(B); Attachment B, p. 4; Attachment D, p. 6.

The Governmental Ethics Ordinance (GEO) restricts gifts from lobbyists and lobbying firms to elected City officials and other City officials in departments that the lobbying entity is registered to lobby. LAMC §§ 49.5.2(J)(1)(a); 49.5.2(J)(2)(a), 49.5.8. This restriction is designed to guard against a perception that the City is a pay-to-play organization. When a person who has a vested interest in the outcome of a City decision gives a gift to a person who is authorized to participate in that decision, the perception is that the decision was influenced by factors other than the public’s best interest. That type of conduct can significantly undermine the City’s decision-making processes and the public’s confidence in them.

However, lobbying entities are not alone in having a vested interest in the outcome of City decisions. It is only because a client desires a particular result that a lobbyist or lobbying firm becomes involved in a decision. Arguably, the person with the greatest interest in a City decision is the client, who is investing money in an attempt to achieve a favorable result. Because the client is essentially driving the lobbying activity of the lobbyist or lobbying firm, we believe that the client's gift giving should also be restricted. Without that limitation, the MLO will continue to have a loophole in which a lobbyist cannot give a gift to a City official but the lobbyist's client can.

The Metropolitan Transportation Authority has a similar law, which prohibits persons who employ lobbyists from making gifts totaling more than \$10 per month to their officials. *See* Cal. PUC §§ 130051.18(a)(12), 130051.18(f)(1).

### 3. Record Keeping

Currently, the MLO requires lobbying entities to prepare and retain detailed records needed to comply with the MLO. LAMC § 48.05. Records must be retained for at least four years. LAMC § 48.05(a). We make two recommendations regarding record keeping.

First, we recommend requiring vendors and clients to comply with lawful requests to provide records that are governed by the MLO. *See* proposed LAMC § 48.05(C); Attachment B, p. 5; Attachment D, p. 6. Second, we recommend requiring lobbying entities to notify their clients and vendors of this responsibility. *Id.*; *see also* proposed LAMC § 48.07(C)(1)(e).

A similar record keeping requirement already exists for suppliers of goods and services to a candidate or committee in connection with a campaign for a City office. Charter § 470(m). We believe that this recommendation is important to support both the Ethics Commission's compliance mandate and a lobbying entity's ability to make accurate public disclosure.

### 4. Registration

#### *a. Application*

Currently, the MLO requires registration by lobbyists and lobbying firms. LAMC § 48.07(D)–(E). It also requires all lobbying entities to file registration statements and disclosure reports electronically. LAMC § 48.06(B). To comply with this electronic filing requirement, lobbying organizations must also register to use the Ethics Commission's proprietary electronic filing system. However, the MLO does not specify a registration requirement for either lobbying organizations or indirect lobbyists.

We recommend that the MLO treat all lobbying entities similarly to the extent possible. For that reason, to coordinate with the electronic filing requirement, and to enhance public access to information about who is engaged in lobbying activity, we recommend that the MLO specifically state that all lobbying entities must file registration statements. *See* proposed LAMC § 48.07; Attachment B, p. 5; Attachment D, p. 7.

*b. Deadline*

The MLO currently requires registration within 10 days after the end of the calendar month in which qualification occurs. LAMC § 48.07(A). We recommend changing the registration deadline to 10 business days after qualification occurs. *See* proposed LAMC § 48.07; Attachment B, p. 5; Attachment D, p. 7. With the existing deadline, a person could qualify as a lobbying entity on the first day of the month and not have to register until 40 days later. In that period of time, the matter the entity was lobbying could be resolved, without the public ever knowing that lobbying was occurring.

We believe that a 10-day registration deadline is a more appropriate balance of compliance and timely public information. Many lobbying entities routinely register in early January, before they have actually qualified, so that they do not have to track their registration deadlines. This recommendation will not affect those entities.

In addition, the recommended deadline is in keeping with registration deadlines in other jurisdictions. For example, San Diego and San Jose require registration within 10 days after qualifying. *See* SDMC § 27.4002; SJMC § 12.12.400(A). The County of Los Angeles, the Metropolitan Transportation Authority, and the state's Fair Political Practices Commission also require registration within 10 days after qualifying. *See* Los Angeles County Code Ch. 2.160 § 1.2, Cal. PUC § 130051.18(b), Cal. Gov't Code § 86101. San Francisco has a shorter deadline and requires registration within five days after qualifying as a lobbyist. *See* San Francisco Campaign and Governmental Conduct Code (SFCGCC) § 2.110.

*c. Content*

Currently, the information that must be disclosed through registration statements varies widely between lobbyists and lobbying firms. LAMC §§ 48.07(D)–(E). For consistency, we recommend that every registration statement contain general information that applies to all lobbying entities, such as the date of qualification, each City matter the lobbying entity has attempted to influence and the position taken on that matter. *See* proposed LAMC § 48.07(C)(1); Attachment D, p. 7. A summary of the proposed contents of registration statements is provided in Attachment C.

We also recommend some information specific to different types of lobbying entities. For example, to connect individuals with entities, we recommend that a lobbying organization's registration statement contain the name of each lobbyist who is a partner, owner, shareholder, officer, or employee. *See* proposed LAMC § 48.07(C)(4); Attachment D, p. 8. This requirement already exists for lobbying firms. LAMC § 48.07(E)(2).

In addition to the standard information required of all lobbying entities, we also recommend that the registration statement for indirect lobbyists include the nature of their business. *See* proposed LAMC § 48.07(C)(5)(c); Attachment D, p. 8. Disclosing the nature of an indirect lobbyist's business will provide the public with a better understanding of who the indirect lobbyist is and why it is taking a certain position on a City matter. Other cities, such as Houston, have begun to enhance public disclosure by implementing similar requirements. *See*

HCO Art. 5. § 18-74 (a)(2). In a similar requirement, at least 21 states require a lobbying entity to disclose the nature of a client's business. *See, e.g.*, Arizona Revised Statutes § 41-1232(A)(5), Cal. Gov't Code § 86104(d)(4)(B), Illinois Compiled Statutes Title 25 § 170/5(c-6), Maine Revised Statutes Title 3 § 3136(4), Pennsylvania Consolidated Statutes Title 65 § 13A04(b)(1)(v); *see also* National Conference of State Legislatures, *Lobbyist Registration Requirements*, <http://www.ncsl.org/research/ethics/50-state-chart-lobbyist-registration-requirements.aspx>, last viewed August 10, 2017.

*d. Fees*

The MLO imposes registration fees on lobbying entities to help cover some of the cost to the public of administering the lobbying program. Currently, the registration fee for a lobbyist is \$450 if the lobbyist registers by September 30 and \$337 if the lobbyist qualifies in the last quarter of the year. LAMC § 48.07(C). There is also a fee of \$75 (or \$56 after September 30) for each client from whom the lobbyist is entitled to receive \$250 or more. *Id.* These fees have been in place since 2003. When the MLO was first adopted in 1994, the registration fee was \$300 per lobbyist and \$50 per client (prorated to \$225 and \$37 for qualifications in the last quarter of the year).

We recommend eliminating the sliding scale for registration fees. *See* proposed LAMC § 48.07(B); Attachment B, p. 5; Attachment D, p. 7. The amount of work involved in processing registrations is the same, regardless of when the registration is received. Similarly, the work associated with the lobbying program is relatively constant and entirely independent of when lobbying entities qualify and register.

We also recommend applying the same \$450 registration fee to all lobbying entities. *See* proposed LAMC § 48.07(B); Attachment B, p. 5; Attachment D, p. 7. No category of lobbying entity is, by definition, responsible for a greater share of the administrative costs of the lobbying program than any other. Imposing the same fee across the board is a more equitable and consistent approach.

In considering registration fees, staff estimated the cost of administering the lobbying program. The estimate included the salary and overhead costs of maintaining our proprietary electronic filing system, providing advice and technical support to lobbying entities, assisting filers with compliance, and investigating potential violations of the MLO. Based on the historic average number of lobbying entities, a registration fee of over \$1,500 per lobbying entity would be required to fully pay for the lobbying program. A fee of \$450 per lobbying entity represents, therefore, a small percentage of the actual costs of the program.

The \$450 registration fee compares favorably with other jurisdictions. Los Angeles County has a \$450 registration renewal fee. *See* Los Angeles County Code Ch. 2-160 § 9.1. Miami levies a \$495 registration fee. *See* Miami-Dade County Code § 2-11.1(s)(2)(b). San Antonio and San Francisco have a \$500 registration fee. *See* SAEC Art. III, Div. 5 § 2-65(g); SFCGCC § 2.110(e)(1). At \$778, San Jose's registration fee is the highest in California. *See* SJMC § 12.12.440.

We believe that applying the \$450 registration fee to all lobbying entities is reasonable, will ensure equity among lobbying entities, and will help the public recover some of the costs of the program.

*e. Prior City Service*

Finally, we recommend adding a new provision to the registration statements that would require individuals to identify whether they are former City employees and, if so, their last date of service to the City. *See* proposed LAMC § 48.07(C)(2)(c); Attachment B, p. 5; Attachment D, p. 8.

This requirement will serve as an educational tool by providing an additional notice to former City personnel about the City's revolving door restrictions. For example, the GEO permanently prohibits a former City official or agency employee from receiving compensation to attempt to influence a City matter in which the individual personally and substantially participated while serving the City. LAMC § 49.5.13(B). Additionally, for one year after leaving City service, a City official is prohibited from receiving compensation to attempt to influence any matter pending with the official's former agency. LAMC § 49.5.13(C)(2).

Disclosure of prior City service will also assist in the Ethics Commission's compliance mandate and help inform the public about who is communicating in an attempt to influence City decisions.

5. Disclosure

To promote the MLO's goal of transparency, lobbying entities are required to periodically disclose information about their lobbying activity, their lobbying expenses, and their political activity. LAMC § 48.08. We propose several modifications to the disclosure requirements, which are detailed in the sections below and summarized in Attachment B.

As with registration requirements, we recommend that lobbying entities have the same disclosure requirements to the extent possible. Some disclosure, however, is unique to the type of lobbying entity. The disclosure that is recommended for each type of lobbying entity is summarized in Attachment C.

*a. Duration*

We recommend requiring all lobbying entities to file periodic disclosure statements from the period in which they register through December 31 of that calendar year, unless they terminate their status earlier. *See* proposed LAMC § 48.08(A); Attachment B, p. 1; Attachment D, p. 9. This requirement currently exists for lobbyists and lobbying firms. Our recommendation would simply extend the requirement to lobbying organizations and indirect lobbyists. We believe this is important for consistency and for robust public disclosure.

*b. Frequency and Deadlines*

Lobbying entities are currently required to disclose their activities on a quarterly basis. They must file disclosure reports on or before the last day of the month following each calendar quarter. LAMC § 48.08(A). We recommend modifying both the length of the reporting period and the deadline for filing reports.

First, to provide more timely information to the public, we recommend moving to a bi-monthly reporting period. *See* proposed LAMC § 48.08(A); Attachment B, p. 1; Attachment D, p. 9. Currently, activity that occurs at the beginning of a quarter does not have to be reported until four months later. In that period of time, the matters being lobbied could be resolved before the public is made aware of the lobbying activity.

Shorter disclosure periods are not novel. Among cities, New York and Denver have bi-monthly reporting periods, San Francisco requires reporting every month, and San Jose requires weekly reporting. *See* NYLL Art. 1-A § 1-e. (a) (4); Denver Revised Municipal Code (DRMC) § 2-303; SFCGCC § 2.110(C); SJMC § 12.12.430(A). In addition, the state of New York has a bi-monthly reporting period, and 14 other states (Alaska, Arkansas, Colorado, Connecticut, Georgia, Kansas, Kentucky, Louisiana, Maine, Missouri, Montana, Nevada, Rhode Island, Texas) have monthly reporting periods. *See* King, Linda, *50-State Assessment of the Costs and Availability of Lobbying Expenditure Data*, National Institute on Money in State Politics, 2011.

In addition to promoting timely public awareness, a shorter reporting period may also promote compliance. Administrators in New York City indicated that the lobbying reports they receive have become more accurate since the bi-monthly reporting period was implemented, because their filers are more familiar with the reporting requirements and have to look back over shorter periods of time.

Second, we recommend that lobbying entities be required to file their disclosure reports by the tenth day after the end of each two-month period. *See* proposed LAMC § 48.08(B); Attachment D, p. 9. This deadline further supports more timely public awareness, while mirroring the recommended registration deadline of 10 business days after qualification (discussed above in Section F.4.b).

Again, this recommendation is similar to laws in other jurisdictions. The reporting deadline is the 15th day after the close of the monthly reporting period in San Francisco. *See* SFCGCC § 2.110(C). The deadline is also 15 days after the bi-monthly reporting period in both New York City and the state of New York. *See* NYLL Art. 1-A § 1-h(a). Among the 14 states with monthly reporting periods, 11 have reporting deadlines of 10 or 15 after the close of the reporting period. *See, e.g.,* Colorado Revised Statutes Title 24 § 24-6-302(2.5)(a), Louisiana Revised Statutes Title 24 § 55(B), Maine Revised Statutes Title 3 § 15-317(1), Missouri Revised Statutes § 105.473.3, Montana Code Title 5 § 5-7-208(2)(b), Nevada Revised Statutes Title 17 § 218H.400(1)(b), Rhode Island General Laws Title 42 § 42-139.1-6(b), Texas Government Code Title 3 Subtitle A § 305.007(a). Georgia has a five-day reporting deadline. Georgia Code § 21-5-73. And the reporting deadline in San Jose, which has a weekly reporting requirement, is 17 hours after the close of the reporting period. SJMC § 12.12.430(E).

*c. Contacts*

The MLO requires lobbying entities to disclose each City agency that they attempted to influence during the reporting period. LAMC § 48.08(B)(12)(b). We recommend providing more context by also requiring the disclosure of the title and division of each City employee contacted during the reporting period. *See* proposed LAMC §§ 48.08(C)(2)(b)(iv), 48.08(C)(3)(b)(v), 48.08(C)(4)(b)(iv), 48.08(C)(5)(b)(iv); Attachment C; Attachment D, pp. 12-14. Some City departments have thousands of employees, so knowing only which department was lobbied does not provide much understanding of what lobbying activity is taking place. Knowing the title of the person lobbied could also potentially identify what stage of the legislative or administrative process a City decision is in.

Similar specificity is required in other cities. For example, San Diego requires disclosure of the name and department of each official who was lobbied by an organization or firm lobbyist. SDMC § 27.4017 (b)(2)(B). San Francisco requires their contact lobbyists to disclose the name of each officer with whom they made contact and the date on which each contact was made. SFCGCC § 2.110. (c)(1). And San Jose requires disclosure of the official contacted, the date of each contact, the total number of contacts with that official during the review period, and, for contract lobbyists, the method of communication for each contact. SJMC § 12.12.420(G).

We believe that more specificity is necessary for a well-informed citizenry and that it will significantly enhance public awareness.

*d. Position*

We recommend improving disclosure by requiring lobbying entities to identify the position they took on each City matter they attempt to influence. *See* proposed LAMC §§ 48.08(C)(2)(b)(ii), 48.08(C)(3)(b)(ii), 48.08(C)(4)(b)(ii), 48.08(C)(5)(b)(ii); Attachment D, p. 12-14. It is not always apparent what outcome a client is seeking based solely on the client's identity. And it is important for members of the public to know a client's position in order to make an informed decision about whether they should also communicate with City decision makers about the matter.

This recommendation is similar to an existing requirement in the Campaign Finance Ordinance (CFO). When a person spends money independently of a candidate to urge a particular result in an election, that person must disclose, among other things, whether the person supported or opposed a candidate or ballot measure. LAMC § 49.7.31(C)(1)(d). Cities like Philadelphia already require disclosure of the position taken on each direct communication. *See* PC, Ch. 20-1200. § 9.

*e. Solicitations*

When a lobbying entity produces, pays for, or distributes more than 50 copies of a political fundraising solicitation for a City candidate, officeholder, or ballot measure, a copy of the solicitation must be filed with the Ethics Commission. LAMC § 48.08.5. In addition, on its next disclosure report, the lobbying entity must disclose information about the solicitation,

including a description, the dates it was distributed, the number of pieces distributed, and the name of the candidate, officeholder, or ballot measure committee that benefited from the solicitation. *Id.* We recommend two modifications to this requirement.

We recommend changing the disclosure threshold to require disclosure when a lobbying entity pays for or distributes a political fundraising solicitation to 25 or more persons. *See* proposed LAMC § 48.09; Attachment B, p. 2; Attachment D, p. 14. This threshold mirrors the MLO’s current definition of “host or sponsor”, which includes asking more than 25 persons to attend a fundraising event and providing more than 25 names to be used for invitations to a fundraising event. LAMC § 48.02; *see also* proposed LAMC § 48.02(M)(7)–(8).

We also recommend requiring the disclosure of information about the costs associated with the solicitation, including the dates and amounts of expenses and the names and addresses of payees and vendors. *See* proposed LAMC § 48.09(B)(5)–(6); Attachment B, p. 2; Attachment D, p. 15. Like the recommendation above in Section F.5.d, this recommendation ties in to the CFO, which requires City officeholders and persons who make independent expenditure communications to disclose dates, amounts, and payees. *See* LAMC §§ 49.7.21(C), 49.7.31(C)(1)(i). It also mirrors existing disclosure requirements in the MLO related to activity expenses and charitable donations. LAMC §§ 48.08(B)(4), 48.08(B)(9), 48.08(C)(5), 48.08(C)(11), 48.08(D)(7), 48.08(D)(12). This additional disclosure will assist with compliance regarding both the campaign financing and lobbying laws.

#### *f. One-Day Reporting*

The MLO requires lobbying entities to file notice with the Ethics Commission within one business day after making more than \$7,000 in campaign contributions to a City officeholder in a 12-month period. LAMC § 48.08.6. A one-day notice is also required when a lobbying entity engages in fundraising for or delivers contributions to a City officeholder and the money at issue is more than \$15,000 for a City Council member or more than \$35,000 for a Citywide officeholder. LAMC § 48.08.7.

We recommend eliminating these one-day reporting requirements, because they are no longer necessary. *See* Attachment B, p. 2. When these provisions were adopted, the law prohibiting contributions from lobbyists and lobbying firms did not exist. *See* Charter § 470(c)(11), effective December 13, 2006. Because the prohibition now exists, the likelihood that a lobbyist or lobbying firm would reach the disclosure thresholds is minimal. Data from the past seven years supports this position. No one-day notices for political contributions have been filed since 2012, and only four one-day notices for fundraising activity have been filed since 2010.

This recommendation will not result in less disclosure. Political contributions and fundraising activity will continue to be required on the periodic disclosure reports filed by lobbying entities and, if more frequent disclosure is required as recommended above in Section F.5.b, that information will be available in a timely fashion. In addition, contributions are disclosed in the campaign statements filed by City candidates and officeholders.

## 6. Enforcement

The Ethics Commission is required to conduct investigations of and enforce against violations of the lobbying laws. Charter § 706. The MLO currently contains provisions regarding that enforcement mandate, and we recommend several changes to them.

First, we recommend adjusting the cap on civil penalties from \$2,000 to the greater of \$5,000 or three times the amount of money at issue. *See* proposed LAMC § 48.11(B)(1); Attachment B, p. 3; Attachment D, p. 15. This recommendation mirrors the civil penalties provisions in the GEO and the CFO, as well as the administrative penalties provision in the Charter. *See* Charter § 706(c)(3); LAMC §§ 49.5.16–17, 49.7.38–39. We believe that a court should be able to assign the same level of gravity to MLO violations that can be assigned to all other violations of the City’s governmental ethics laws.

Also in keeping with our other laws, we recommend incorporating the same enforcement processes for the MLO that are specified in the Charter, the CFO, and the GEO. *See* Charter § 470(o)(2); LAMC §§ 49.5.16(B), 49.7.38(B); proposed LAMC § 48.11(B)(3); Attachment B, p. 3; Attachment D, p. 15–16. Among other things, this would make two or more persons jointly and severally liable for violations of the MLO and would authorize a court to award the costs of litigation to a prevailing party. *See* proposed LAMC §§ 48.11(B)(2), 48.11(D); Attachment B, p. 3; Attachment D, p. 16.

We believe it is important to align the MLO with all of the other enforcement provisions in the Ethics Commission’s jurisdiction, and the recommended changes will achieve that consistency.

## 7. Contract Solicitations

The MLO requires all City departments to include a copy of the MLO in every request for proposals or other contract solicitation. LAMC § 48.09(H). Departments must either reprint the entire MLO in their solicitations or provide electronic access to the law. *Id.* We recommend amending this requirement to eliminate the option of reprinting the MLO in solicitations and to require all departments to, instead, provide the link to the MLO that is on the Ethics Commission’s website. *See* proposed LAMC § 48.13(B); Attachment B, p. 3; Attachment D, p. 17. This will reduce the consumption of paper resources and ensure that the information provided to bidders is consistent and current.

## 8. Technical Changes

In addition to the substantive changes discussed above, the ordinance language recommended in Attachment D also incorporates a number of technical improvements to the MLO to help ensure clarity and internal consistency. This includes streamlining and updating language and creating a more use-friendly structure that renumbers, reorganizes, and consolidates sections. *See, e.g.,* proposed LAMC §§ 48.02, 48.07, 48.08, 48.10.

## **G. Conclusion**

Staff has spent many hours engaged in research, analyzing data, evaluating policies, and soliciting feedback regarding the City's lobbying laws. We believe that there are many ways in which the MLO can be improved, and we recommend that you approve the proposed ordinance language in Attachment D to implement those improvements.

We look forward to continuing the discussion regarding the MLO. Any approved recommendations must be transmitted to the City Council for their consideration.

### *Attachments:*

- A Key Definitions: Current v. Recommended*
- B Quick Guide to Key Recommendations*
- C Quick Guide to Registration and Disclosure Contents*
- D Recommended Municipal Lobbying Ordinance (clean)*
- E Recommended Municipal Lobbying Ordinance (redline)*
- F Public Comments*

*Municipal Lobbying Ordinance*  
**Key Definitions: Current v. Recommended**  
 Los Angeles Municipal Code § 48.02  
 October 2017

Term	Current	Proposed
<b>Agency</b>	The City or any department, bureau, office, board, commission, other agency of the City, or any other government agency, required to adopt a conflict of interest code subject to City Council approval, including the Community Redevelopment Agency and the Los Angeles City Housing Authority.	<b><i>The City; a department, bureau, office, board, commission, or entity required to adopt a conflict of interests code subject to City Council approval; or a neighborhood council certified under Article IX of the City Charter.</i></b>
<b>Attempt to Influence</b>	Promoting, supporting, opposing or seeking to modify or delay any action on municipal legislation by any means, including but not limited to providing or using persuasion, information, statistics, analyses or studies.	<b><i>Directly or indirectly promoting, supporting, opposing, or seeking to modify or delay action on a City matter by any means. The term includes but is not limited to any of the following:</i></b> <ol style="list-style-type: none"> <li><b><i>1. Engaging in a direct communication.</i></b></li> <li><b><i>2. Drafting ordinances, resolutions, regulations, or other policy documents.</i></b></li> <li><b><i>3. Providing advice or recommending strategy.</i></b></li> <li><b><i>4. Researching, investigating, and gathering information.</i></b></li> <li><b><i>5. Seeking to influence the position of a third party.</i></b></li> <li><b><i>6. Other similar conduct.</i></b></li> </ol>
<b>City Matter</b>	Not defined. See "Municipal Legislation".	<b><i>A matter that is proposed to or pending with an agency and in which a non-ministerial action may be taken.</i></b>
<b>Compensation</b>	Not defined.	<b><i>Money or any other tangible or intangible thing of value that is provided, owed, or received in exchange for services rendered or to be rendered. The term includes bonuses and contingent fees, regardless of whether payment is ultimately received. It does not include reimbursement for reasonable lobbying expenses. There is a rebuttable presumption that compensation for lobbying services includes all payments given or owed by or on behalf of a client.</i></b>

Term	Current	Proposed
<p><b>Direct Communication</b></p>	<p>Appearing as a witness before, talking to, corresponding with, or answering questions or inquiries from a City official or employee, either personally or through an agent.</p>	<p><i>Talking to, corresponding with, or answering questions or inquiries from a City employee, either personally or through an agent, for the purpose of attempting to influence. The term does not include the following:</i></p> <ol style="list-style-type: none"> <li><i>1. Communicating on the record at a publicly noticed meeting that is open to the general public. If a lobbying entity is entitled to receive compensation for the communication, the lobbying entity must disclose on the record the source of the compensation and on whose behalf the communication is made.</i></li> <li><i>2. Submitting a document or other recording that relates to an item on a publicly noticed meeting agenda and is made part of the record at the public meeting. If a lobbying entity submitting the recording is entitled to receive compensation for doing so, the document or recording must identify the source of the compensation and on whose behalf it is submitted.</i></li> <li><i>3. Submitting a bid or responding to a request for proposals or other contract solicitation, or participating in an interview related to the contract solicitation, as long as the information is provided only to the City employee or agency specifically designated in the contract solicitation to receive the information.</i></li> <li><i>4. Negotiating the terms of a contract with a City employee who has the authority to participate in a decision regarding the contract after being selected by that employee's agency to enter into the contract.</i></li> <li><i>5. Communicating regarding the administration of or performance under an existing City contract with a City employee who administers the contract or provides legal advice regarding the contract. This exemption does not apply to a change order unless the change order addresses solely ministerial matters.</i></li> <li><i>6. Requesting an interpretation of a law, regulation, or policy.</i></li> <li><i>7. Responding to an agency enforcement proceeding as the subject of or a witness in that proceeding.</i></li> <li><i>8. Communicating as an official representative of a recognized City employee organization with a City employee other than the Mayor, a City</i></li> </ol>

Term	Current	Proposed
		<p><i>Council member, or a member of their staffs, with regard to one of the following:</i></p> <ul style="list-style-type: none"> <li><i>a. The establishment, amendment, administration, or interpretation of a collective bargaining agreement or memorandum of understanding between an agency and the recognized City employee organization.</i></li> <li><i>b. A management decision regarding the working conditions of represented employees that relates to a collective bargaining agreement or memorandum of understanding between an agency and the recognized City employee organization.</i></li> <li><i>c. A proceeding before the Civil Service Commission or the Employee Relations Board.</i></li> </ul> <p><i>9. Providing legal representation as a licensed attorney for a party in litigation or an enforcement proceeding with an agency.</i></p> <p><i>10. Communicating solely to provide technical data or specialized knowledge within a particular profession or discipline.</i></p> <p><i>11. Communicating solely to schedule a meeting.</i></p> <p><i>12. Communicating solely regarding a ministerial action.</i></p> <p><i>13. Communicating under circumstances similar to those identified above, after receiving advice from the Ethics Commission that the communication is exempt.</i></p>

Term	Current	Proposed
<b>Fundraising Activity</b>	Soliciting a contribution or hosting or sponsoring a fundraising event or hiring a fundraiser or contractor to conduct any event designed primarily for political fundraising at which contributions for an elective City officer, candidate for elective City office, or any of his or her controlled committees are solicited, delivered or made.	<p><b>Doing any of the following:</b></p> <ol style="list-style-type: none"> <li>1. <b>Asking another person to make a contribution to an elected City officer, a candidate for elected City office, or a controlled committee. This does not include a request for funds made through mass media or a suggestion to the entire audience at a public gathering.</b></li> <li>2. <b>Allowing one's name or likeness to be used on a written request for funds for an elected City officer, a candidate for elected City office, or a controlled committee.</b></li> <li>3. <b>Making or incurring expenses for or distributing a fundraising solicitation to 25 or more persons.</b></li> <li>4. <b>Providing the use of a home or business to hold a fundraising event without charging fair market value.</b></li> <li>5. <b>Paying for at least a majority of the costs of a fundraising event.</b></li> <li>6. <b>Hiring a person to conduct a fundraising event.</b></li> <li>7. <b>Asking 25 or more persons to attend a fundraising event.</b></li> <li>8. <b>Providing 25 or more names to be used for invitations to a fundraising event.</b></li> </ol>
<b>Fundraising Solicitation</b>	Not defined.	<b>A written request that a person make a contribution to an elected City officer, a candidate for elected City office, or a controlled committee.</b>
<b>Host or Sponsor</b>	Providing the use of a home or business to hold a political fundraising event without charging market value; asking more than 25 persons to attend the event; paying for at least a majority of the costs of the event; or providing more than 25 names to be used for invitations to the event.	<b>Not defined. See "Fundraising Activity".</b>
<b>Indirect Lobbyist</b>	Not defined. See "Major Filer".	<b>A person, other than a lobbyist, lobbying firm, or lobbying organization, who makes or incurs expenses totaling \$5,000 or more in a calendar year for the purpose of attempting to influence one or more City matters. Payments and expenses include those made for public relations, media relations, advertising, public outreach, research, investigation, reports, analyses, studies, and similar activities if they are not required to be reported by a lobbying entity. Compensation paid to a registered lobbyist or lobbying firm for attempting to influence does not count toward the threshold.</b>

Term	Current	Proposed
<b>Lobbying Activities</b>	<p>The following and similar compensated conduct when that conduct is related to a direct communication to influence municipal legislation:</p> <ol style="list-style-type: none"> <li>1. Engaging in written or oral direct communication with a City official;</li> <li>2. Drafting ordinances, resolutions or regulations;</li> <li>3. Providing advice or recommending strategy to a client or others;</li> <li>4. Research, investigation, and information gathering;</li> <li>5. Seeking to influence the position of a third party on municipal legislation or a related issue; and</li> <li>6. Attending or monitoring City meetings, hearings, or other events.</li> </ol>	<b>Not defined. See “Attempt to Influence”.</b>
<b>Lobbying Entity</b>	A lobbyist, lobbying firm, or lobbyist employer.	<b><i>A lobbyist, lobbying firm, lobbying organization, or indirect lobbyist.</i></b>
<b>Lobbying Firm</b>	An entity, including an individual lobbyist, that receives or becomes entitled to receive \$1,000 or more in compensation in a consecutive three-month period for engaging in lobbying activities for the purpose of attempting to influence municipal legislation on behalf of another person if a partner, owner, shareholder, officer, or employee of the entity qualifies as a lobbyist.	<b><i>An entity, other than a lobbying organization or an indirect lobbyist, that receives or becomes entitled to receive compensation for one or more attempts to influence and that has a partner, owner, shareholder, officer, or employee who qualifies as a lobbyist.</i></b>
<b>Lobbying Organization</b>	Not defined. See “Lobbyist Employer”.	<b><i>An entity, other than a lobbying firm or an indirect lobbyist, that employs a lobbyist in-house to attempt to influence on the entity’s own behalf.</i></b>
<b>Lobbyist</b>	An individual who is compensated to spend 30 or more hours in a consecutive three-month period engaged in lobbying activities that include at least one direct communication for the purpose of attempting to influence municipal legislation on behalf of another person.	<b><i>An individual who engages in at least one direct communication and receives or becomes entitled to receive \$5,000 or more in compensation in a calendar year for attempting to influence on behalf of one or more other persons.</i></b>
<b>Lobbyist Employer</b>	An entity, other than a lobbying firm, that employs a lobbyist in-house to lobby on its behalf.	<b>Not defined. See “Lobbying Organization”.</b>

Term	Current	Proposed
<b>Major Filer</b>	A person who makes payments or incurs expenditures totaling \$5,000 or more in a calendar quarter for the purpose of attempting to influence action on a matter of municipal legislation. Payments and expenses include those made for public relations, media relations, advertising, public outreach, research, investigation, reports, analyses, studies, and similar activities. The term does not include a lobbyist, lobbyist employer, or lobbying firm. Payments for routine communications between an organization and its members do not count toward the threshold.	<b>Not defined. See “Indirect Lobbyist”.</b>
<b>Municipal Legislation</b>	A legislative or administrative matter proposed or pending before any agency. The term does not include the following: <ol style="list-style-type: none"> <li>1. A request for advice or an interpretation of laws or policies</li> <li>2. A direct response to an enforcement proceeding with the City Ethics Commission.</li> <li>3. A ministerial action.</li> <li>4. An action regarding a collective bargaining agreement or memorandum of understanding between the City and a recognized employee organization or a proceeding before the Civil Service Commission or the Employee Relations Board. This exception does not apply to an action taken by the Mayor, the City Council, a City Council member, a City Council committee, or a member of the staff of the Mayor or a City Council member.</li> <li>5. Preparing or compiling maps, plans, lists, signatures, or other documents required by the City Planning Department.</li> </ol>	<b>Not defined. See “City Matter”.</b>

Term	Current	Proposed
<b>Solicit</b>	Asking another person to make a contribution to an elected City officer, a candidate for elected City office, or a controlled committee, including allowing one's signature to be used on a written request for funds. A lobbying entity solicits a contribution only when the lobbying entity does so at the behest of the recipient (or a member of the recipient's campaign staff) or has informed the recipient that the person is soliciting the contributions. A person does not solicit by making a request for funds publicly to at least a majority of persons who attend a public gathering or by making a request that is published by newspaper, radio, or television.	<b><i>Not defined. See "Fundraising Solicitation" and "Fundraising Activity".</i></b>

*Los Angeles City Ethics Commission*  
**Quick Guide to Key Recommendations**  
Municipal Lobbying Ordinance  
*October 2017*

<b>DISCLOSURE</b>				
<b>Issue</b>	<b>Current</b>	<b>Current Citation</b>	<b>Proposed</b>	<b>Proposed Citation</b>
<b>Content</b>	See Attachment D.	LAMC §§ 48.08(B), 48.08(C), 48.08(D), 48.08(E)	<i>See Attachment D.</i>	<b>LAMC § 48.08(C)</b>
<b>Deadline</b>	A disclosure report must be filed by the last day of the month following the end of the reporting period.	LAMC § 48.08(A)	<b><i>A disclosure report must be filed within 10 days following the end of the reporting period.</i></b>	<b>LAMC § 48.08(B)</b>
<b>Duration</b>	Lobbyists, lobbying firms, and lobbyist employers must file disclosure statements for every reporting period through the end of the calendar year (unless they terminate their status earlier). Major filers must file disclosure statements for every reporting period in which they qualify as a major filer.	LAMC § 48.08(A)	<b><i>All lobbying entities must file disclosure statements for every reporting period through the end of the calendar year (unless they terminate their status earlier).</i></b>	<b>LAMC § 48.08(A)</b>
<b>Frequency</b>	A disclosure report is required for each calendar quarter.	LAMC § 48.08(A)(3)	<b><i>A disclosure report is required for every two-month period.</i></b>	<b>LAMC § 48.08(B)</b>

**DISCLOSURE cont'd**

Issue	Current	Current Citation	Proposed	Proposed Citation
<b>Fundraising Solicitations</b>	<p>A lobbying entity that produces, pays for, or distributes more than 50 substantially similar copies of a written political fundraising solicitation on behalf of a City candidate, officeholder, or ballot measure must provide a copy of the solicitation to the Ethics Commission at the time the solicitation is distributed. The solicitation must be reported on the lobbying entity's next disclosure report, with information such as:</p> <ol style="list-style-type: none"> <li>1. A description.</li> <li>2. The dates of distribution.</li> <li>3. The number of pieces distributed.</li> <li>4. The candidate, officeholder, or ballot measure for which funds were solicited.</li> </ol>	LAMC § 48.08.5	<p><b><i>A lobbying entity that produces, pays for, or distributes substantially similar copies of a written political fundraising solicitation to 25 or more persons on behalf of a City candidate, officeholder, or ballot measure must notify the Ethics Commission within one business day. The notice must include a copy of the solicitation and the following information:</i></b></p> <ol style="list-style-type: none"> <li><b><i>1. A description.</i></b></li> <li><b><i>2. The dates of distribution.</i></b></li> <li><b><i>3. The number of copies distributed and the persons making the distributions.</i></b></li> <li><b><i>4. The candidate, officeholder, or ballot measure for which funds were solicited.</i></b></li> <li><b><i>5. The dates and amounts of the related expenses and the persons making or incurring the expenses.</i></b></li> <li><b><i>6. The name and address of each payee, vendor, and subvendor that provided service for the solicitation.</i></b></li> </ol> <p><b><i>The notice must be included on the lobbying entity's next disclosure report.</i></b></p>	LAMC § 48.09
<b>One-Day Reports</b>	<p>Lobbying entities must notify the Ethics Commission and the City Clerk within one business day when either of the following occurs:</p> <ol style="list-style-type: none"> <li>1. The lobbying entity contributes a total of more than \$7,000 to a City officeholder in a 12-month period.</li> <li>2. The lobbying entity engages in fundraising activity that, in a 12-month period results in a total of \$15,000 raised for a City Council member or \$35,000 raised for a Citywide officeholder.</li> </ol>	LAMC §§ 48.08.6, 48.08.7	<p><b><i>Lobbying entities must report contributions and fundraising activity through their periodic disclosure statements.</i></b></p>	LAMC §§ 48.08(C)(1)(e) 48.08(C)(1)(g) 48.08(C)(1)(h)

## ENFORCEMENT

Issue	Current	Current Citation	Proposed	Proposed Citation
<b>Civil Penalties</b>	A person who violates the MLO may be held accountable in a civil action brought by the City Attorney. For an improper reporting violation, penalties may not to exceed the greater of the amount not properly reported or \$2,000. For all other violations, penalties may not exceed \$2,000.	LAMC § 48.09(C)	<i>A person who violates the MLO may be held accountable in a civil action brought by the City Attorney, the Ethics Commission, or a City resident. Penalties may not exceed the greater of \$5,000 or three times the amount of money improperly reported, spent, or received.</i>	LAMC § 48.11(B)(1)
<b>Civil Process</b>	Not addressed.	N/A	<i>Before filing a civil action, a person other than the City Attorney must first file a request with the Ethics Commission. If the Ethics Commission files suit, itself, no other action is permitted. If a private suit is filed, the plaintiff is entitled to half of any amount recovered against the defendant.</i>	LAMC §§ 48.11(B)(3), 48.11(B)(4)
<b>Liability</b>	Not addressed.	N/A	<i>If two or more persons are responsible for a violation of the MLO, they are jointly and severally liable.</i>	LAMC § 48.11(B)(2)
<b>Litigation Costs</b>	Not addressed.	N/A	<i>In a civil action, a court may award litigation costs to a prevailing party.</i>	LAMC § 48.11(D)

## GENERAL PROVISIONS

Issue	Current	Current Citation	Proposed	Proposed Citation
<b>Contract Solicitations</b>	Bidders on certain City contracts must submit a certification that they will comply with the MLO if they qualify as a lobbying entity. City departments must provide a copy of the MLO in their contract solicitations, either on paper, in an electronic format, or through a link to an online version of the ordinance.	LAMC § 48.09(H)	<i>Bidders on certain City contracts must submit a certification that they will comply with the MLO if they qualify as a lobbying entity. City departments must provide in their contract solicitations the link to the MLO that is on the Ethics Commission's website.</i>	LAMC § 48.13
<b>Exemptions</b>	<ol style="list-style-type: none"> <li>1. Public officials and government employees acting in official capacities.</li> <li>2. Media outlets that publish news, editorials, or advertising that attempts to influence City action (and their employees engaged in the same activity).</li> <li>3. Persons acting without compensation other than reimbursement of reasonable travel expenses.</li> </ol>	LAMC § 48.03	<ol style="list-style-type: none"> <li>1. <i>Public officials and government employees acting in official capacities.</i></li> <li>2. <i>Media outlets that publish news, editorials, or advertising that attempts to influence City action (and their employees engaged in the same activity).</i></li> <li>3. <i>Consultants acting under a City consulting agreement.</i></li> <li>4. <i>Persons whose only activity is participating in a competitive bid</i></li> </ol>	LAMC § 48.03

## GENERAL PROVISIONS cont'd

Issue	Current	Current Citation	Proposed	Proposed Citation
	<p>4. Persons whose only activity is participating in a competitive bid process (unless they attempt to influence the Mayor, a City Council member, or their staffs).</p> <p>5. 501(c)(3) organizations that receive government funding and whose primary purpose is to represent indigent clients free of charge (and their employees engaged in the same activity).</p>		<p><i>process (unless they attempt to influence the Mayor, a City Council member, their staffs, or a board or commission member).</i></p> <p><b>5. 501(c)(3) organizations that receive government funding and are created primarily to provide basic life assistance to disadvantaged clients at a rate that is significantly below market (including their employees and board members engaged in the same activity).</b></p>	
<b>Prohibitions</b>	<p>A lobbyist or lobbying firm may not:</p> <ol style="list-style-type: none"> <li>1. Do anything with the intent of placing a City employee under personal obligation to the lobbyist, the lobbying firm, or a client.</li> <li>2. Fraudulently deceive or attempt to deceive a City employee regarding a material fact that is pertinent to pending or proposed municipal legislation.</li> <li>3. Cause or influence the introduction of municipal legislation for the purpose of thereafter being employed or retained to secure its passage or defeat.</li> <li>4. Cause a communication to be sent to a City employee in the name of a nonexistent person or in the name of an existing person without consent.</li> <li>5. Make or arrange for a payment to a City employee that would violate the Governmental Ethics Ordinance.</li> </ol>	LAMC § 48.04	<p><b>A lobbying entity may not:</b></p> <ol style="list-style-type: none"> <li><b>1. Do anything with the intent of placing a City employee under personal obligation to the lobbying entity or their client.</b></li> <li><b>2. Deceive or attempt to deceive a City employee regarding a material fact that is pertinent to a City matter.</b></li> <li><b>3. Cause or influence the introduction of a City matter for the purpose of thereafter being employed or retained to secure its passage or defeat.</b></li> <li><b>4. Cause a communication to be sent to a City employee in the name of a nonexistent person or in the name of an existing person without consent.</b></li> <li><b>5. Offer, make, or arrange for a payment to a City employee that would violate the Charter, the Campaign Finance Ordinance, or the Governmental Ethics Ordinance.</b></li> </ol> <p><b>A client may not offer, make, or arrange for a gift to a City employee that is prohibited for the client's lobbyist or lobbying firm.</b></p>	<b>LAMC § 48.04(A)</b>
<b>Record Keeping</b>	<ol style="list-style-type: none"> <li>1. Lobbying entities and major filers must prepare and retain detailed records necessary to comply with the MLO.</li> <li>2. Treasurers and fundraisers for City campaigns must prepare detailed contribution records for contributions received as a result of fundraising by a lobbying entity.</li> <li>3. Records must be retained for at least four years.</li> </ol>	LAMC § 48.05	<ol style="list-style-type: none"> <li><b>1. Lobbying entities must prepare and retain detailed records necessary to comply with the MLO.</b></li> <li><b>2. Treasurers and fundraisers for City campaigns must prepare detailed contribution records for contributions received as a result of fundraising by a lobbying entity.</b></li> <li><b>3. Records must be retained for at least four years.</b></li> <li><b>4. Vendors and clients must comply</b></li> </ol>	<b>LAMC § 48.05</b>

## GENERAL PROVISIONS cont'd

Issue	Current	Current Citation	Proposed	Proposed Citation
			<i>with a lawful request to provide records that detail activity governed by the MLO. Lobbying entities must notify their vendors and clients of this responsibility.</i>	

## REGISTRATION

Issue	Current	Current Citation	Proposed	Proposed Citation
<b>Applicability</b>	Lobbyists and lobbying firms must register.	LAMC § 48.07(A)	<i>All lobbying entities must register.</i>	<i>LAMC § 48.07</i>
<b>Content</b>	See Attachment D.	LAMC §§ 48.07(D), 48.07(E)	<i>See Attachment D.</i>	<i>LAMC § 48.07(C)</i>
<b>Deadline</b>	A registration must be filed within 10 days after the end of the calendar month in which qualification occurs.	LAMC § 48.07(A)	<i>A registration must be filed within 10 business days after qualification occurs.</i>	<i>LAMC § 48.07</i>
<b>Fees</b>	Annual registration fees are \$450 per lobbyist plus \$75 per client. These fees are reduced to \$337 per lobbyist and \$56 per client if registration occurs in the last quarter of the year.	LAMC § 48.07(C)	<i>Annual registration fees are \$450 per lobbying entity plus \$75 lobbying firm per client.</i>	<i>LAMC § 48.07(B)</i>
<b>Prior City Service</b>	Not addressed.	N/A	<i>Individuals must state whether they are former City employees and, if so, their last date of service to the City.</i>	<i>LAMC §§ 48.05(C)(2)(b) 48.05(C)(5)(d)</i>

*Los Angeles City Ethics Commission*  
**Quick Guide to Registration and Disclosure Contents**  
 Los Angeles Municipal Code §§ 48.07, 48.08  
 October 2017

***New requirements are displayed in red.***

<b>PROPOSED REGISTRATION CONTENTS</b>				
Content	Lobbyist	Firm	Organization	Indirect
Filer's name, address, email, and phone.	X	X	X	X
Name, title, address, email, and phone of individual responsible for the filing.	X	X	X	X
Name, address, email, and phone of clients.		X		
Date of qualification.	X	X	X	X
Each City agency that the filer will attempt to influence.	X	X	X	
Each City matter that the filer will attempt to influence.	X	X	X	X
Position taken on each City matter.	X	X	X	X
Name of each lobbyist who is a partner, owner, shareholder, officer, or employee.		X	X	
Name, address, email, and phone of filer's employer.	X			
The nature of the filer's business.				X
Statement regarding whether filer is a sole proprietor.	X			
Statement regarding whether filer is a former City employee and, if so, the last date of City service.	X			X
Statement that filer understand the MLO requirements.	X	X	X	X

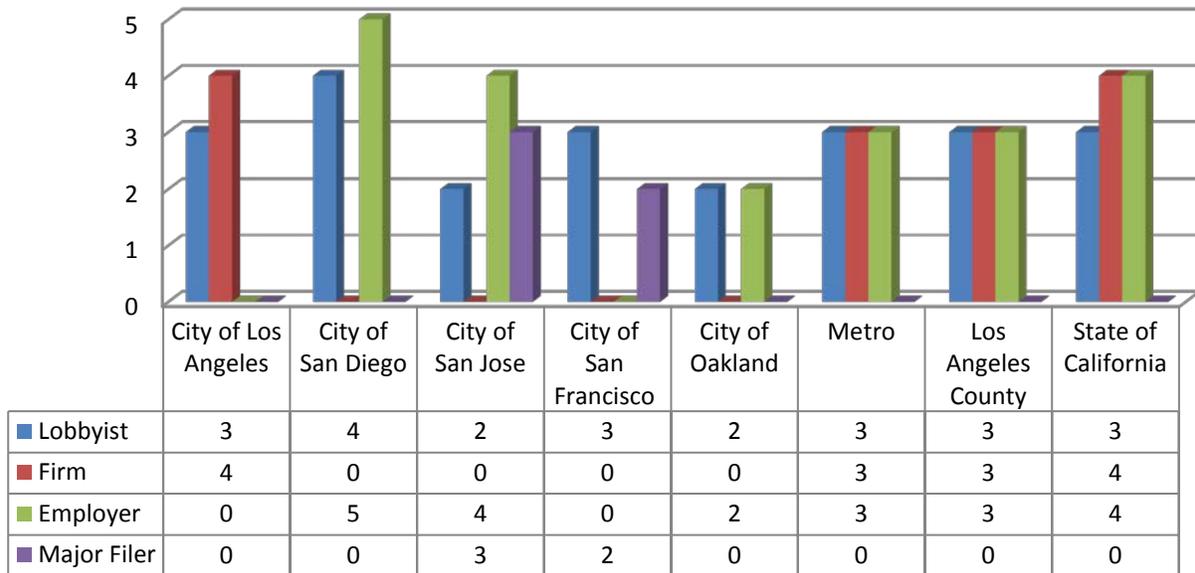
<b>PROPOSED DISCLOSURE CONTENTS</b>				
Content	Lobbyist	Firm	Organization	Indirect
Filer's name, address, email, and phone.	X	X	X	X
Name, <b>title</b> , address, email, and phone of individual responsible for the filing.	X	X	X	X
Name, address, email, and phone of filer's employer.	X			
Name of each partner, owner, shareholder, officer, or employee who is a lobbyist.		X	X	X
Name, address, email, and phone of clients represented.	X	X		
Each City matter filer attempted to influence.	X	X	X	X
Position taken on each City matter.	X	X	X	X
Name, address, email, and phone of each person who had a financial interest in the City matter in the previous 12 months and contributed \$1,000+ or 20+% to expenses attributable to attempts to influence.				X
Name of each partner, owner, shareholder, officer, or employee who engaged in a direct communication.		X	X	X

PROPOSED DISCLOSURE CONTENTS cont'd				
Content	Lobbyist	Firm	Organization	Indirect
Agency, <b>division, and title</b> of City employees with whom filer had a direct communication and date of communication.	X	X	X	X
Client payments incurred.		X		
Client payments received.		X		
Total payments to lobbyist personnel.		X	X	
Total payments to non-lobbyist personnel.		X	X	X
Total expenses attributable to attempts to influence.		X	X	X
For each expense of \$5,000+ attributable to attempts to influence: description, <b>date, amount, name and address of third-party payee, City matter, client if applicable.</b>		X	X	X
Total amount of gifts given by filer <b>and filer's clients</b> to City employees and their immediate family members.	X	X	X	X
For each gift of \$25+ given by filer <b>or filer's clients</b> to City employee or immediately family member: date, amount, description, name and title of City employee, name and address of payee, name of client if applicable.	X	X	X	X
For each contribution of \$100+ given by filer to City candidate, officeholder, or committee: name of recipient, date, amount.	X	X	X	X
For each fundraising solicitation distributed to <b>25+</b> people: copy and description, distribution dates, number distributed, <b>date and amounts of expenses, name and address of payee/vendor</b> , name of beneficiary.	X	X	X	X
For each City candidate, officeholder, or committee that filer engaged in fundraising activity: name of beneficiary, dates of activity, <b>number of persons solicited</b> , amount raised, <b>statement regarding whether another person was involved in the same activity.</b>	X	X	X	X
For behested contributions totaling \$1,000+ made by filer to a City candidate, officeholder, or committee: date of behest, name of behester, date of contribution, amount, description, name and address of payee.	X	X	X	X
For behested donations totaling \$1,000+ made by filer: date of behest, name of behester, date of donation, amount, description, name and address of payee.	X	X	X	X
For compensated campaign services to City candidate, officeholder, or committee: name of compensator, date of election if applicable, compensation earned, <b>compensation received</b> , description of services.	X	X	X	X
For compensated services under City contract: agency, description of contract, <b>compensation earned</b> , compensation received, description of services.	X	X	X	X

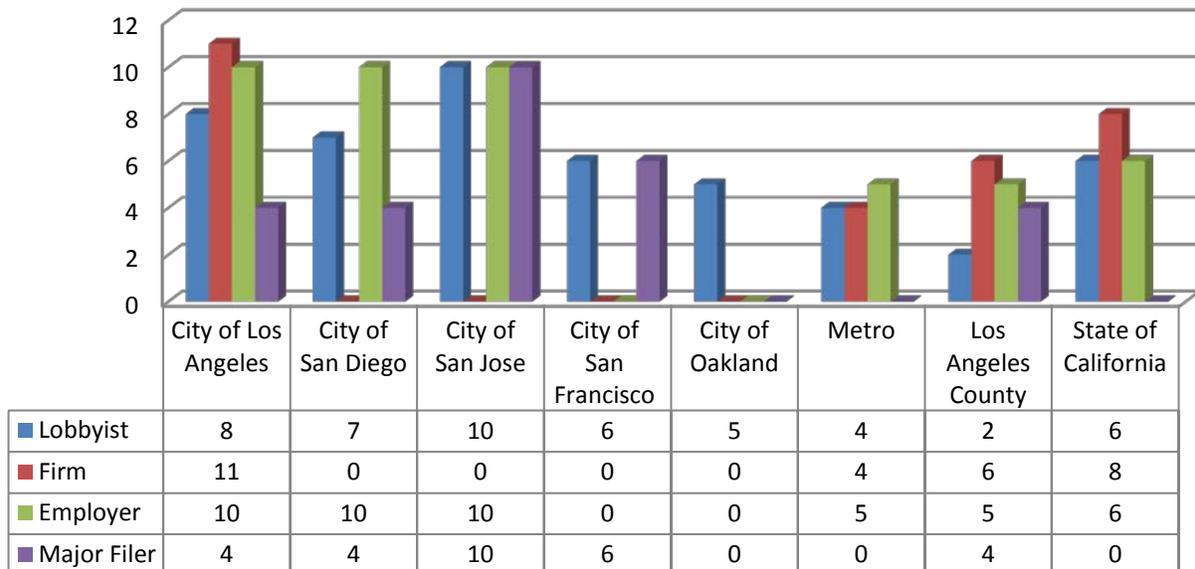
*Los Angeles City Ethics Commission*  
**Registration and Disclosure Categories by Jurisdiction**  
*October 2017*

*Staff reviewed the registration and disclosure reporting requirements for lobbying entities in seven jurisdictions throughout California. While no two laws are identical, we attempted to classify similar reporting requirements into general categories, such as client information, contacts with agency employees, lobbying expenses, fundraising activity, etc. The tables below illustrate the number of reporting categories that each jurisdiction currently requires of each type of lobbying entity.*

### Registration Categories



### Disclosure Categories



# Municipal Lobbying Ordinance

*Los Angeles Municipal Code Chapter IV, Article 8*

## SEC. 48.01. Title and Findings

A. **Title.** This Article shall be known and may be cited as the Los Angeles Municipal Lobbying Ordinance.

B. **Findings.** The following findings are adopted in conjunction with the enactment of this Article:

1. City government functions to serve the needs of all citizens.
2. The citizens of the City have a right to know the identity of interests that attempt to influence decisions of City government, as well as the means employed by those interests.
3. All persons engaged in compensated activities aimed at influencing decisions by City government must, when so engaged, be subject to the same regulations, restrictions, and requirements, regardless of their background, training, title, or other professional qualifications or license.
4. Complete public disclosure of the full range of activities by and financing of lobbyists and those who employ their services is essential to maintaining public confidence in the integrity of City government.
5. It is in the public interest to ensure that lobbyists do not misrepresent facts, their positions, or attempt to

deceive officials through false communications, do not place City officials under personal obligation to themselves or their clients, and do not represent that they can control the actions of City officials.

6. It is in the public interest to ensure adequate and effective disclosure of information about efforts to lobby City government.

## SEC. 48.02. Definitions

The following terms have the meanings identified below. Other terms used in this Article have the meanings identified in the Political Reform Act.

**A. “Agency”** means the City of Los Angeles; any department, bureau, office, board, commission, or entity required to adopt a conflict of interests code subject to City Council approval; or a neighborhood council certified under Article IX of the City Charter.

**B. “At the behest”** means under the control of; at the direction, request, or suggestion of; in cooperation, consultation, or coordination with; or with the express prior consent of an elected City officer or candidate for elected City office. The term does not apply to a donation solicited solely through mass media, a suggestion made to the entire audience at a public gathering, or written materials in which the name of the elected City officer or candidate is listed with other names.

**C. “Attempt to influence”** means directly or indirectly promoting, supporting, opposing, or seeking to modify or delay action on a City matter by any means. The term includes but is not limited to any of the following:

1. Engaging in a direct communication.
2. Drafting ordinances, resolutions, regulations, or other policy documents.
3. Providing advice or recommending strategy.
4. Researching, investigating, and gathering information.
5. Engaging in conduct designed to influence the position of a third party.
6. Other similar conduct.

**D. “City matter”** means a matter that is proposed to or pending with an agency and in which a non-ministerial action may be taken.

**E. “City employee”** means any of the following individuals who participate in a City matter in other than a purely ministerial capacity: an elected City officer; an agency officer, member, commissioner, or employee; or an agency consultant who qualifies as a public official under the Political Reform Act.

**F. “Client”** means both the person on whose behalf a lobbyist or lobbying firm engages in one or more attempts to influence that entitle the lobbyist or the lobbyist’s employer to receive at

least \$250 in compensation and the person who pays the compensation. The term does not include an individual member of an organization that is represented by a lobbyist or lobbying firm, unless the member provides compensation for personal representation in addition to usual membership fees.

**G. “Compensation”** means money or any other tangible or intangible thing of value that is provided, owed, or received in exchange for services rendered or to be rendered. The term includes bonuses and contingent fees, regardless of whether payment is ultimately received. It does not include reimbursement for reasonable lobbying expenses. There is a rebuttable presumption that compensation for lobbying services includes all payments given or owed by or on behalf of a client.

**H. “Controlled committee”** means a committee controlled by an elected City officer or a candidate for elected City office.

**I. “Direct communication”** means directly or indirectly talking to, corresponding with, or answering questions or inquiries from a City employee, either personally or through an agent, for the purpose of attempting to influence. The term does not include the following:

1. Communicating on the record at a publicly noticed meeting that is open to the general public. If a lobbying entity is entitled to receive compensation for the communication, the lobbying entity must disclose on the record the

- source of the compensation and on whose behalf the communication is made.
2. Submitting a document or other recording that relates to an item on a publicly noticed meeting agenda and is made part of the record at the public meeting. If a lobbying entity submitting the recording is entitled to receive compensation for doing so, the document or recording must identify the source of the compensation and on whose behalf it is submitted.
  3. Submitting a bid or responding to a request for proposals or other contract solicitation, or participating in an interview related to the contract solicitation, as long as the information is provided only to the City employee or agency specifically designated in the contract solicitation to receive the information.
  4. Negotiating the terms of a contract with a City employee who has the authority to participate in a decision regarding the contract after being selected by that employee's agency to enter into the contract.
  5. Communicating regarding the administration of or performance under an existing City contract with a City employee who administers the contract or provides legal advice regarding the contract. This exemption does not apply to an in scope change order.
  6. Requesting an interpretation of a law, regulation, or policy.
  7. Responding to an agency enforcement proceeding as the subject of or a witness in that proceeding.
  8. Communicating as an official representative of a recognized City employee organization with a City employee other than the Mayor, a City Council member, or a member of their staffs, with regard to one of the following:
    - a. The establishment, amendment, administration, or interpretation of a collective bargaining agreement or memorandum of understanding between an agency and the recognized City employee organization.
    - b. A management decision regarding the working conditions of represented employees that relates to a collective bargaining agreement or memorandum of understanding between an agency and the recognized City employee organization.
    - c. A proceeding before the Civil Service Commission or the Employee Relations Board.
  9. Providing legal representation as a licensed attorney for a party in litigation or an enforcement proceeding with an agency.
  10. Communicating solely to provide technical data or specialized

knowledge within a particular profession or discipline.

11. Communicating solely to schedule a meeting.
  12. Communicating solely regarding a ministerial action.
  13. Communicating under circumstances similar to those identified above, after receiving advice from the Ethics Commission that the communication is exempt.
- J. “Donation”** means a payment to a charitable organization for which full and adequate consideration is not received.
- K. “Elected City office”** has the same meaning as in Section 49.7.2(G).
- L. “Elected City officer”** has the same meaning as in Section 49.7.2(H).
- M. “Fundraising activity”** means any of the following:
1. Asking another person, either personally or through an agent, to make a contribution to an elected City officer, a candidate for elected City office, or a controlled committee. This does not include making a request for funds through mass media or through a suggestion made to the entire audience at a public gathering.
  2. Allowing one’s name or likeness to be used on a written request for funds for an elected City officer, a candidate for elected City office, or a controlled committee.
  3. Making or incurring expenses for or distributing a fundraising solicitation to 25 or more persons.
  4. Providing the use of a home or business to hold a fundraising event without charging fair market value for the use of that location.
  5. Paying for at least a majority of the costs of a fundraising event.
  6. Hiring a person to conduct a fundraising event.
  7. Asking 25 or more persons to attend a fundraising event.
  8. Providing 25 or more names to be used for invitations to a fundraising event.
- N. “Fundraising event”** means an event designed primarily for political fundraising at which contributions are solicited, delivered, or made for an elected City officer, a candidate for elected City office, or a controlled committee.
- O. “Fundraising solicitation”** means a written request that a person make a contribution to an elected City officer, a candidate for elected City office, a controlled committee, or a City ballot measure committee.
- P. “Indirect Lobbyist”** means a person, other than a lobbyist, lobbying firm, or lobbying organization, who makes or incurs expenses totaling \$5,000 or more in a calendar year for the purpose of attempting to influence one or more City matters. Payments and expenses include those made for public relations, media relations,

advertising, public outreach, research, investigation, reports, analyses, studies, and similar activities if they are not required to be reported by a lobbyist or lobbying firm.

Compensation paid to a registered lobbyist or lobbying firm for attempting to influence does not count toward the threshold.

- Q. “Lobbying entity”** means a lobbyist, indirect lobbyist, lobbying firm, or lobbying organization.
- R. “Lobbying firm”** means an entity, other than a lobbying organization or indirect lobbyist, that receives or becomes entitled to receive compensation for one or more attempts to influence and that has a partner, owner, shareholder, officer, or employee who qualifies as a lobbyist.
- S. “Lobbying organization”** means an entity, other than a lobbying firm or an indirect lobbyist, that employs a lobbyist in-house to attempt to influence on the entity’s own behalf.
- T. “Lobbyist”** means an individual who engages in at least one direct communication and receives or becomes entitled to receive \$5,000 or more in compensation in a calendar year for one or more attempts to influence on behalf of one or more other persons.
- U. “Political Reform Act”** means the California Political Reform Act of 1974 (California Government Code Sections 81000 *et seq.*) and the related regulations of the California Fair Political Practices Commission as amended from time to time.

### **SEC. 48.03. Exemptions**

The following persons are exempt from this Article:

- A. A public official or government employee acting in an official capacity and within the scope of employment.
- B. A media outlet that broadcasts news, editorials, or paid advertising that directly or indirectly attempts to influence and the media outlet’s employees engaged in the same activity. This exemption does not apply to other action by a media outlet and its employees.
- C. A consultant acting under an agency consulting agreement.
- D. A person whose only activity is participating in a competitive bid process. This exemption does not apply to attempts to influence the Mayor, a City Council member, a staff member of the Mayor or a City Council member, or a board or commission member with regard to the competitive bid process.
- E. An organization that is exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, receives funding from a government agency, and was created primarily to provide direct basic life assistance to disadvantaged individuals at a rate that is significantly below market. Basic life assistance means assistance with food, clothing, shelter, child care, health, legal needs, and vocational needs. This exemption applies to the organization’s employees and board members engaged in providing direct

basic life assistance. This exemption does not apply to other action by the organization and its employees and board members, including but not limited to seeking funding, property, or a permit from the City.

B. A client shall not offer, make, or arrange for a payment to a City official, as defined in Section 49.5.2(C), that is prohibited for the client's lobbyist or lobbying firm under Section 49.5.8.

#### **SEC. 48.04 Prohibitions**

- A. A lobbying entity shall not do any of the following:
1. Engage in an act with the intent of placing a City employee under personal obligation to the lobbying entity or the lobbying entity's client.
  2. Deceive or attempt to deceive a City employee with regard to a material fact that is pertinent to a City matter.
  3. Cause or influence the introduction of a City matter for the purpose of thereafter being employed or retained to secure its passage or defeat.
  4. Cause a communication to be sent to a City employee in the name of a nonexistent person or in the name of an existing person without that person's consent.
  5. Offer, make, or arrange for a payment to a City employee that would violate a provision of the Charter, the Campaign Finance Ordinance (Sections 49.7.1 *et seq.*), or the Governmental Ethics Ordinance (Sections 49.5.1 *et seq.*).

#### **SEC. 48.05. Recordkeeping Responsibilities**

- A. A lobbying entity shall prepare and maintain detailed records that demonstrate compliance with this Article.
- B. Treasurers and fundraisers for elected City officers, candidates for elected City office, and controlled committees shall prepare and maintain detailed records of contributions received as a result of fundraising activity engaged in by a lobbying entity.
- C. A lobbying entity and its vendors and clients shall comply with a lawful request to provide any record that details activity governed by this Article when the request is made by the Ethics Commission or another public officer with the authority to enforce this Article. A lobbying entity shall notify its vendors and clients of their responsibilities under this section.
- D. Records shall be maintained for at least four years. If a record relates to activity that must be disclosed through a public filing, the record shall be maintained for at least four years after the filing deadline.

## **SEC. 48.06. Filing Methods**

- A. Every registration, report, and other filing required by this Article must be submitted under penalty of perjury by the person who is required to file and must be filed in a format prescribed by the Ethics Commission. The Ethics Commission must provide public access to all filings.
- B. A lobbying entity and a person who qualifies as a lobbying entity must file registrations, quarterly reports, terminations, and amendments to those filings electronically.
- C. If an electronic filing is required, the Ethics Commission must provide a unique identifier to the person who is required to file, to be used in place of a physical signature for submitting and verifying data under penalty of perjury. An electronic filing is presumed to be filed under penalty of perjury by the person required to file.
- D. If a paper filing is required, it must contain the physical signature of the person who is required to file. A document is considered filed on the earlier of the date of receipt by the Ethics Commission or the date of the postmark if it is mailed and bears the correct address and postage.

## **SEC. 48.07. Registration**

A lobbying entity shall register with the Ethics Commission within 10 business days after qualifying as a lobbying entity. A lobbying entity shall file an amendment to its registration statement within 10 business days after the information in the registration statement changes.

A. **Duration.** A person who registers as a lobbying entity shall retain that status through the earlier of December 31 of that calendar year or the date of filing a termination statement. A lobbying entity shall file a termination statement within 20 business days after ceasing all activity governed by this Article.

B. **Registration Fees.** An annual registration fee of \$450 shall be paid for each lobbying entity. An individual who qualifies as both a lobbyist and a lobbying firm shall pay a registration fee only as a lobbying firm. An annual registration fee of \$75 shall be paid for each client of a lobbying firm.

### **C. Contents.**

1. Every registration statement shall contain the following information:
  - a. The lobbying entity's name, address, email, and telephone number.
  - b. The name, title, address, email, and telephone number of the individual responsible for filing the registration statement.
  - c. The date of qualification as a lobbying entity.
  - d. Each agency that the lobbying entity has attempted and will attempt to influence.
  - e. Each City matter that the lobbying entity has attempted and will attempt to influence, including City reference numbers.

- f. The position that was taken or will be taken on each matter.
  - g. A statement that the lobbying entity has reviewed and understands the requirements of this Article, including the education requirement in Section 48.10, and will notify all clients and vendors of their responsibilities under Section 48.05(B).
  - h. Any other information required by regulation of the Ethics Commission, consistent with this Article.
2. In addition to the information in paragraph 1, a registration statement for a lobbyist must also contain the following:
    - a. The name, address, email, and telephone number of the lobbyist's employer.
    - b. A statement regarding whether the lobbyist is a sole proprietor.
    - c. A statement regarding whether the lobbyist is a former City employee and, if so, the lobbyist's last date of service to the City.
  3. In addition to the information in paragraph 1, a registration statement for a lobbying firm must also contain the following:
    - a. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee.
  4. In addition to the information in paragraph 1, a registration statement for a lobbying organization must also contain the name of each lobbyist who is a partner, owner, shareholder, officer, or employee.
    - b. For each client:
      - i. The client's name, address, email, and telephone number.
      - ii. The name of each lobbyist who has attempted or will attempt to influence.
      - iii. The City matters regarding which each lobbyist will attempt to influence, including City reference numbers.
  5. In addition to the information in paragraph 1, a registration statement for an indirect lobbyist must also contain the following:
    - a. Each City matter the indirect lobbyist has attempted and will attempt to influence, including City reference numbers.
    - b. The indirect lobbyist's position on each City matter.
    - c. The nature of the indirect lobbyist's business.
    - d. For an individual, a statement regarding whether the indirect lobbyist is a former City employee and, if so, the indirect lobbyist's last date of service to the City.

## SEC. 48.08. Disclosure

A. **Reporting Requirement.** A lobbying entity shall file a disclosure report for every two-month reporting period during which the lobbying entity was registered, was required to register, or had reportable activity. An individual who qualifies as both a lobbyist and a lobbying firm shall file only lobbying firm reports.

B. **Deadline.** Disclosure reports shall be filed by the following deadlines and shall disclose activity for the two calendar months immediately preceding the deadline:

1. By March 10, for activity from January 1 through the last day of February.
2. By May 10, for activity from March 1 through April 30.
3. By July 10, for activity from May 1 through June 30.
4. By September 10, for activity from July 1 through August 30.
5. By November 10, for activity from September 1 through October 31.
6. By January 10, for activity from November 1 through December 31.

C. **Contents.**

1. Every disclosure report shall contain the following information:
  - a. The lobbying entity's name, address, email, and telephone number.

b. The name, title, address, email, and telephone number of the individual responsible for filing the disclosure report.

c. The total amount of all gifts and other financial benefits that the lobbying entity and the lobbying entity's clients gave to City employees and members of City employees' immediate families. For purposes of this Subparagraph and Subparagraph d, a gift includes but is not limited to a contribution to an individual's campaign for election to a neighborhood council, a pension board, or another City position other than an elected City office.

d. For each gift or other financial benefit valued at \$25 or more that the lobbying entity or one of the lobbying entity's clients gave to a City employee or a member of a City employee's immediate family:

- i. The date given.
- ii. The amount or fair market value.
- iii. A description.
- iv. The name and title of the City employee.
- v. The name and address of each payee.
- vi. The name of the client, if any, for whom the gift or

financial benefit was given. A gift or benefit is given for a client if the client requested or authorized it or if it was given in connection with an event at which the lobbying entity attempted to influence the City employee on behalf of the client.

e. For each contribution of \$100 or more to an elected City officer, a candidate for elected City office, or a controlled committee that the lobbying entity made, delivered, or acted as an intermediary for:

- i. The name of the elected City officer, the candidate for elected City office, or the controlled committee.
- ii. The date of the contribution.
- iii. The amount of the contribution.

f. If the lobbying entity made or incurred expenses for or distributed 25 or more substantially similar copies of a fundraising solicitation, the information required by Section 48.09(B).

g. For each elected City officer, candidate for elected City office, or controlled committee for which the lobbying entity engaged in fundraising activity:

- i. The name of the elected City officer, the candidate

for elected City office, or the controlled committee.

ii. The dates of the fundraising activity.

iii. The number of persons from whom contributions were solicited.

iv. The amount of funds raised as a result of the fundraising activity.

v. A statement regarding whether another person was involved in the same fundraising activity.

h. If the lobbying entity made one or more contributions aggregating \$1,000 or more at the behest of an elected City officer or candidate for elected City office to controlled committees of other elected City officers or candidates for elected City office, the following for each contribution:

- i. The date of the behest.
- ii. The name of the elected City officer or candidate for elected City office who made the behest.
- iii. The date of the contribution.
- iv. The amount of the contribution.
- v. A description of the contribution.

- vi. The name and address of the payee.
  - i. If the lobbying entity made one or more donations aggregating \$1,000 or more at the behest of an elected City officer or candidate for elected City to religious, charitable, or other nonprofit organizations, the following for each donation:
    - i. The date of the behest.
    - ii. The name of the elected City officer or candidate for elected City office who made the behest.
    - iii. The date of the donation.
    - iv. The amount of the donation.
    - v. A description of the donation.
    - vi. The name and address of the payee.
  - j. For each elected City officer, candidate for elected City office, or controlled committee to which the lobbying entity provided compensated services:
    - i. The name of the elected City officer, candidate for elected City office, or controlled committee.
    - ii. The date of the election, if applicable.
  - iii. The amount of compensation earned.
  - iv. The amount of compensation received.
  - v. A description of the services provided.
- An individual shall report this information whether the services were provided by the individual personally or by a business entity in which the individual held an ownership or investment interest of at least 10 percent and whether the compensation was or is to be provided directly to the individual or to the business entity.
- k. For each contract under which the lobbying entity provided compensated services to an agency:
    - i. The agency for which the services were provided.
    - ii. A description of the contract, including City reference numbers.
    - iii. The amount of compensation earned.
    - iv. The amount of compensation received.
    - v. A description of the services provided.
- An individual shall report this information whether the services were provided by the individual personally or by a

- business entity in which the individual held an ownership or investment interest of at least 10% and whether the compensation was or is to be provided directly to the individual or to the business entity.
- I. Any other information required by regulation of the Ethics Commission, consistent with this Article.
2. In addition to the information in paragraph 1, a disclosure report for a lobbyist must also contain the following:
    - a. The name, address, email, and telephone number of the lobbyist's employer.
    - b. For each City matter the lobbyist attempted to influence:
      - i. A description of the matter, including City reference numbers.
      - ii. The position taken on the matter.
      - iii. The name, address, email, and telephone number of the client on whose behalf the attempt to influence was made.
      - iv. The agency, division, and title of each City employee with whom the lobbyist engaged in a direct communication and the date of the direct communication.
  3. In addition to the information in paragraph 1, a disclosure report for a lobbying firm must also contain the following:
    - a. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee.
    - b. For each City matter the lobbying firm attempted to influence:
      - i. A description of the matter, including City reference numbers.
      - ii. The position taken on the matter.
      - iii. The name, address, email, and telephone number of the client on whose behalf the attempt to influence was made.
      - iv. The name of each partner, owner, shareholder, officer, or employee who engaged in a direct communication.
      - v. The agency, division, and title of each City employee with whom a partner, owner, shareholder, officer, or employee engaged in a direct communication and the date of the direct communication.
      - vi. Total client payments incurred for attempts to influence.

- vii. Total client payments received for attempts to influence.
  - c. Total payments incurred and received from clients.
  - d. Total payments to lobbyist personnel for attempts to influence.
  - e. Total payments to non-lobbyist personnel for attempts to influence.
  - f. Total expenses attributable to attempts to influence, other than overhead expenses, including the amounts in Subparagraphs d and e and all other expenses that would not have been incurred but for an attempt to influence. Each expense of \$5,000 or more must be itemized with a description, the date, the amount, the name and address of each third-party payee, the related City matter, including City reference numbers, and the client on whose behalf the expense was incurred.
4. In addition to the information in paragraph 1, a disclosure report for a lobbying organization must also contain the following:
- a. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee.
  - b. For each City matter the lobbying organization attempted to influence:
    - i. A description of the matter, including City reference numbers.
    - ii. The position taken on the matter.
    - iii. The name of each partner, owner, shareholder, officer, or employee who engaged in a direct communication.
    - iv. The agency, division, and title of each City employee with whom a partner, owner, shareholder, officer, or employee engaged in a direct communication and the date of the direct communication.
  - c. Total payments to lobbyist personnel for attempts to influence.
  - d. Total payments to non-lobbyist personnel for attempts to influence.
  - e. Total expenses attributable to attempts to influence, other than overhead expenses, including the amounts in Subparagraphs c and d and all other expenses that would not have been incurred but for an attempt to influence. Each such expense of \$5,000 or more must be itemized with a description, the date, the amount, the name and address of each third-party payee, the related City matter, including City reference numbers, and the client on whose behalf the expense was incurred.

5. In addition to the information in paragraph 1, a disclosure report for an indirect lobbyist must also contain the following:
  - a. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee.
  - b. For each City matter the indirect lobbyist attempted to influence:
    - i. A description of the matter, including City reference numbers.
    - ii. The position taken on the matter.
    - iii. The name of each partner, owner, shareholder, officer, or employee who engaged in a direct communication.
    - iv. The agency, division, and title of each City employee with whom a partner, owner, shareholder, officer, or employee engaged in a direct communication and the date of the direct communication.
    - v. The name, address, email, and telephone number of each person who has, or in the previous 12 months had, a financial interest in the matter and contributed at least \$1,000 to the indirect lobbyist or paid for at least 20 percent of the indirect lobbyist's expenses

attributable to attempts to influence.

- c. Total payments to personnel for attempts to influence.
- d. Total expenses attributable to attempts to influence, other than overhead expenses, including the amount in Subparagraph d and all other expenses that would not have been incurred but for an attempt to influence. Each such expense of \$5,000 or more must be itemized with a description, the date, the amount, the name and address of each third-party payee, and the related City matter, including City reference numbers.

#### **SEC. 48.09. Copies of Solicitations**

A lobbying entity shall notify the Ethics Commission when it makes or incurs expenses for or distributes substantially similar copies of a fundraising solicitation to 25 or more persons.

- A. The notice shall be filed within one business day after the earlier of the date the fundraising solicitation is first distributed or the date an expense is made or incurred.
- B. The notice shall include the following:
  1. A copy of the fundraising solicitation.
  2. A description of the fundraising solicitation.

3. The dates on which the fundraising solicitation was distributed.
4. The number of copies distributed and, if not distributed by the lobbying entity, the names of the persons making the distributions.
5. The dates and amounts of the expenses that were made or incurred and, if not made or incurred by the lobbying entity, the names of the persons making or incurring the expenses.
6. The name and address of each payee and any vendor or subvendor that provided service for the fundraising solicitation.
7. The names of each elected City officer, candidate for elected City office, and controlled committee for which the fundraising solicitation was made.

**SEC. 48.10. Education.** An individual who is required to register as a lobbyist shall complete a training provided by the Ethics Commission at least once every two calendar years. An individual who is required to register as a lobbyist for the first time shall complete the training within 60 calendar days after qualifying as a lobbyist. Thereafter, the individual shall complete the training every other year, within 60 calendar days after registering as a lobbyist.

## **SEC. 48.11. Enforcement**

### **A. Criminal Penalties.**

1. A person who knowingly or willfully violates a provision of this Article is guilty of a misdemeanor. A person who knowingly or willfully causes another person to violate a provision of this Article or who knowingly or willfully aides and abets another person in violating a provision of this Article is guilty of a misdemeanor.
2. Prosecution for violation of a provision of this Article must be commenced within one year after the date on which the violation occurred.
3. A person convicted of a violation of this Article may not act as a lobbying entity or otherwise attempt to influence for one year after such conviction.

### **B. Civil Enforcement.**

1. A person who intentionally or negligently violates a provision of this Article is liable in a civil action brought by the City Attorney, the Ethics Commission, or a person residing within the City. The amount of liability for a violation may not exceed the greater of \$5,000 or three times the amount the person improperly reported, contributed, expended, gave, or received. If the court determines that a violation was intentional, the court may order that the person be prohibited from acting as a lobbying entity or otherwise

- attempting to influence for one year.
2. If two or more persons are responsible for a violation, they are jointly and severally liable.
  3. Before filing a civil action pursuant to this Subsection, a person other than the City Attorney shall first file with the Ethics Commission a written request for the Ethics Commission to commence an action. The request shall contain a statement of the grounds for believing a cause of action exists. The Ethics Commission shall respond within 40 days after receiving the request and indicate whether it intends to file a civil action. If the Ethics Commission indicates in the affirmative and files an action within 40 days after the response, no other action may be brought unless the action brought by the Ethics Commission is dismissed without prejudice.
  4. In determining the amount of liability pursuant to this subsection, the court may take into account the seriousness of the violation and the degree of culpability of the defendant. If a judgment is entered against the defendant or defendants in an action, a private plaintiff shall receive 50 percent of the amount recovered. The remaining 50 percent shall be deposited into the City's General Fund. In an action brought by the City Attorney or the Ethics Commission, the entire amount shall be paid to the City's General Fund.
  5. An action alleging a violation of this Article may not be filed more than four years after the date the violation occurred.
- C. Injunction.** A person residing within the City, including the City Attorney, may sue for injunctive relief to enjoin violations or to compel compliance with the provisions of this Article.
- D. Costs of Litigation.** In a civil action, the court may award to a prevailing party, other than an agency, the party's costs of litigation, including reasonable attorney's fees. If the costs or fees are awarded against the City, the payment of the award is the responsibility of the City, subject to City Council approval.
- E. Administrative Penalties.**
1. The Ethics Commission may impose penalties and issue orders for violations of this Article pursuant to its authority under Charter Section 706(c).
  2. A person found to have violated Charter Section 470(k) shall not act as a lobbying entity or otherwise attempt to influence City matters for four years. The Ethics Commission may reduce that period of time to not less than one year if it finds either of the following:
    - a. The person admitted or otherwise accepted responsibility for the violation.
    - b. The person took prompt remedial or corrective action.

**SEC. 48.12. Late Filing Penalties.**

In addition to any other penalty, a person who files an original report or statement after a deadline imposed by this Article is liable to the Ethics Commission in the amount of \$25 per day after the deadline until the statement or report is filed, up to a maximum of \$500. Liability need not be enforced by the Ethics Commission if its Executive Officer determines that the late filing was not willful and that enforcement of the penalty would not further the purposes of this Article. Liability may not be waived if a statement or report is not filed within 10 days after the Ethics Commission sends written notice that the statement or report is past due.

**SEC. 48.13. Bidder Certification.**

- A. A bidder for a contract, as defined in Los Angeles Administrative Code Section 10.40.1, shall submit with its bid a certification, in a format prescribed by the Ethics Commission, that the bidder acknowledges and agrees to comply with this Article if the bidder qualifies as a lobbying entity. The exemptions contained in Section 48.03 and Los Angeles Administrative Code Section 10.40.4 do not apply to this section.
- B. Every agency shall include in each request for bids, request for proposals, request for qualifications, or other contract solicitation the link to the Ethics Commission’s online version of this Article.
- C. This section does not apply to the renewal, extension, or amendment

of an existing contract, as long as the original contract solicitation met the requirements in Subsections A and B and the renewal, extension, or amendment does not involve a new contract solicitation.

**SEC. 48.14. Severability**

The provisions of this Article are severable. If any provision of this Article, or its application to any person or circumstance is held invalid by a court, the remainder of this Article and the application of the provision to other persons and circumstances is not affected by that determination, to the extent that the provision or its application can be given effect.

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# Municipal Lobbying Ordinance

Los Angeles Municipal Code Chapter IV, Article 8

## SEC. 48.01. Title and Findings

A. **Title.** This Article shall be known and may be cited as the Los Angeles Municipal Lobbying Ordinance.

B. **Findings.** The following findings are adopted in conjunction with the enactment of this Article:

1. City ~~G~~overnment functions to serve the needs of all citizens.
2. The citizens of the City ~~of Los Angeles~~ have a right to know the identity of interests ~~which that~~ attempt to influence decisions of City government, as well as the means employed by those interests.
3. All persons engaged in compensated ~~lobbying~~ activities aimed at influencing decisions by City government must, when so engaged, be subject to the same regulations, restrictions, and requirements, regardless of their background, training, ~~title~~, or other professional qualifications or license.
4. Complete public disclosure of the full range of activities by and financing of lobbyists and those who employ their services is essential to ~~the maintenance of citizen-maintaining public~~ confidence in the integrity of ~~local~~ City government.

5. It is in the public interest to ensure that lobbyists do not misrepresent facts, their positions, or attempt to deceive officials through false communications, do not place City officials under personal obligation to themselves or their clients, and do not represent that they can control the actions of City officials.

6. It is in the public interest to ~~adopt these amendments to the City's regulations of lobbyists to~~ ensure adequate and effective disclosure of information about efforts to lobby City government.

## SEC. 48.02. Definitions

The following terms ~~used in this Article shall~~ have the meanings ~~set forth below identified below~~. Other terms used in this Article ~~shall~~ have the meanings ~~set forth identified~~ in the ~~California~~ Political Reform Act ~~of 1974, as amended, and in the regulations of the California Fair Political Practices Commission, as amended, if defined therein.~~

~~“Activity expense” means any payment, including any gift, made to or directly benefiting any City official or member of his or her immediate family, made by a lobbyist, lobbying firm, or lobbyist employer.~~

A. ~~“Agency” means the City of Los Angeles or;~~ any department, bureau, office, board, commission, ~~other agency of the City, or any other government agency, entity~~ required to

adopt a conflict of interests code subject to City Council approval, and includes the City's Community Redevelopment Agency and the Los Angeles City Housing Authority or a neighborhood council certified under Article IX of the City Charter.

**B. "At the behest"** means under the control of, at the direction, request, or suggestion of, in cooperation, consultation, or coordination with, or concert with, at the request or suggestion of, or with the express prior consent of any elective elected City officer or candidate for elective elected City office. A donation to a religious, charitable, or other nonprofit organization is not made at the behest of an elective City officer or candidate if the The term does not apply to a donation is solicited solely through a newspaper publication, through radio, television, or other mass media, or, through a suggestion made to the entire audience at a public gathering. A donation to a religious, charitable, or other nonprofit organization is not made at the behest of an elective City officer or candidate solely because the name of the officer or candidate is listed with other names on, or written materials used to request donations or in which the name of the elected City officer or candidate makes a speech to the entire audience or is honored and given an award at an event sponsored by the organization is listed with other names.

**C. "Attempting to influence"** means directly or indirectly promoting, supporting, opposing, or seeking to modify or delay any action on municipal legislation a City matter by any means, including but not limited to providing or using persuasion,

information, statistics, analyses or studies. A person attempts to influence municipal legislation when he or she engages in lobbying activities for the purpose of influencing a decision. The term includes but is not limited to any of the following:

1. Engaging in a direct communication.
2. Drafting ordinances, resolutions, regulations, or other policy documents.
3. Providing advice or recommending strategy.
4. Researching, investigating, and gathering information.
5. Engaging in conduct designed to influence the position of a third party.
6. Other similar conduct.

**D. "City matter"** means a matter that is proposed to or pending with an agency and in which a non-ministerial action may be taken.

**E. "City official employee"** means any elective or appointed City officer, member, employee or consultant (who qualifies as a public official within the meaning of the Political Reform Act) of any agency, who, as part of his or her official duties, of the following individuals who participates in the consideration of any municipal legislation a City matter in other than in a purely clerical, secretarial or ministerial capacity: an elected City officer; an agency officer, member, commissioner, or employee; or an

agency consultant who qualifies as a public official under the Political Reform Act.

**F. “Client”** means both

~~(1) the person who compensates a lobbyist or lobbying firm for the purpose of attempting to influence municipal legislation and~~

~~(2) the person on whose behalf a lobbyist or lobbying firm engages in one or more attempts to influence such municipal legislation, even if the lobbyist or lobbying firm is compensated by another person for such representation that entitle the lobbyist or the lobbyist’s employer to receive at least \$250 in compensation and the person who pays the compensation.~~

~~However, if a lobbyist or lobbying firm represents a membership organization and The term does not include an individual members of that an organization that is represented by a lobbyist or lobbying firm, an individual member is not a client solely because the member is individually represented by the lobbyist or lobbying firm unless the member makes a payment provides compensation for such personal representation in addition to usual membership fees.~~

**G. “Compensation”** means money or any other tangible or intangible thing of value that is provided, owed, or received in exchange for services rendered or to be rendered. The term includes bonuses and contingent fees, regardless of whether payment is ultimately received. It does not include reimbursement for reasonable lobbying expenses. There is a

rebuttable presumption that compensation for lobbying services includes all payments given or owed by or on behalf of a client.

~~“Compensated services” means services for which compensation was paid during a reporting period or for which the lobbyist or lobbying firm became entitled to compensation during that period.~~

**H. “Controlled committee”** means any committee controlled by an elective elected City officer or a candidate for any elective elected City office, including any campaign, officeholder, legal defense fund, or ballot measure committee.

**I. “Direct communication”** means appearing as a witness before, directly or indirectly talking to ~~(either by telephone or in person)~~, corresponding with, or answering questions or inquiries from, any City official or employee, either personally or through an agent ~~who acts under one’s direct supervision, control or direction, for the purpose of attempting to influence.~~ The term does not include the following:

1. Communicating on the record at a publicly noticed meeting that is open to the general public. If a lobbying entity is entitled to receive compensation for the communication, the lobbying entity must disclose on the record the source of the compensation and on whose behalf the communication is made.

2. Submitting a document or other recording that relates to an item on

- a publicly noticed meeting agenda and is made part of the record at the public meeting. If a lobbying entity submitting the recording is entitled to receive compensation for doing so, the document or recording must identify the source of the compensation and on whose behalf it is submitted.
3. Submitting a bid or responding to a request for proposals or other contract solicitation, or participating in an interview related to the contract solicitation, as long as the information is provided only to the City employee or agency specifically designated in the contract solicitation to receive the information.
  4. Negotiating the terms of a contract with a City employee who has the authority to participate in a decision regarding the contract after being selected by that employee's agency to enter into the contract.
  5. Communicating regarding the administration of or performance under an existing City contract with a City employee who administers the contract or provides legal advice regarding the contract. This exemption does not apply to an in scope change order.
  6. Requesting an interpretation of a law, regulation, or policy.
  7. Responding to an agency enforcement proceeding as the subject of or a witness in that proceeding.
  8. Communicating as an official representative of a recognized City employee organization with a City employee other than the Mayor, a City Council member, or a member of their staffs, with regard to one of the following:
    - a. The establishment, amendment, administration, or interpretation of a collective bargaining agreement or memorandum of understanding between an agency and the recognized City employee organization.
    - b. A management decision regarding the working conditions of represented employees that relates to a collective bargaining agreement or memorandum of understanding between an agency and the recognized City employee organization.
    - c. A proceeding before the Civil Service Commission or the Employee Relations Board.
  9. Providing legal representation as a licensed attorney for a party in litigation or an enforcement proceeding with an agency.
  10. Communicating solely to provide technical data or specialized knowledge within a particular profession or discipline.
  11. Communicating solely to schedule a meeting.
  12. Communicating solely regarding a ministerial action.

13. Communicating under circumstances similar to those identified above, after receiving advice from the Ethics Commission that the communication is exempt.

**J. “Donation”** means a payment to a charitable organization for which full and adequate consideration is not received.

**K. “~~Elective~~ Elected City officer”** means the ~~Mayor, City Attorney, Controller and Member of the City Council~~ has the same meaning as in Section 49.7.2(G).

**L. “~~Elective~~ Elected City officer”** means ~~any person who is a City Council Member, City Attorney, Controller or Mayor, whether appointed or elected~~ has the same meaning as in Section 49.7.2(H).

**“Fundraiser”** means ~~an individual who receives compensation to engage in fundraising activity as defined in this section.~~

**M. “Fundraising activity”** means any of the following:

1. Asking another person, either personally or through an agent, to make a contribution to an elected City officer, a candidate for elected City office, or a controlled committee. This does not include making a request for funds through mass media or through a suggestion made to the entire audience at a public gathering.
2. Allowing one’s name or likeness to be used on a written request for

funds for an elected City officer, a candidate for elected City office, or a controlled committee.

3. Making or incurring expenses for or distributing a fundraising solicitation to 25 or more persons.

4. Providing the use of a home or business to hold a fundraising event without charging fair market value for the use of that location.

5. Paying for at least a majority of the costs of a fundraising event, soliciting a contribution or hosting or sponsoring a fundraising event or

6. Hiring a fundraiser or contractor person to conduct any fundraising event.

7. Asking 25 or more persons to attend a fundraising event.

8. Providing 25 or more names to be used for invitations to a fundraising event.

**N. “Fundraising event”** means an event designed primarily for political fundraising at which contributions are solicited, delivered, or made for an ~~elective-elected~~ City officer, a candidate for elective-elected City office, or any of his or her a controlled committees are solicited, delivered or made.

**O. “Fundraising solicitation”** means a written request that a person make a contribution to an elected City officer, a candidate for elected City office, a controlled committee, or a City ballot measure committee.

~~“Host or sponsor” means to provide the use of a home or business to hold a political fundraising event without charging market value for the use of that location; to ask more than 25 persons to attend the event; to pay for at least a majority of the costs of the event; or to provide the candidate, campaign, committee and/or fundraiser more than 25 names to be used for invitations to the event.~~

**P. “Indirect Lobbyist”** means a person, other than a lobbyist, lobbying firm, or lobbying organization, who makes or incurs expenses totaling \$5,000 or more in a calendar year for the purpose of attempting to influence one or more City matters. Payments and expenses include those made for public relations, media relations, advertising, public outreach, research, investigation, reports, analyses, studies, and similar activities if they are not required to be reported by a lobbyist or lobbying firm. Compensation paid to a registered lobbyist or lobbying firm for attempting to influence does not count toward the threshold.

**“Lobbying activities”** includes the following and similar compensated conduct when that conduct is related to a direct communication to influence any municipal legislation:

- (1) ~~engaging in, either personally or through an agent, written or oral direct communication with a City official;~~
- (2) ~~drafting ordinances, resolutions or regulations;~~

~~(3) providing advice or recommending strategy to a client or others;~~

~~(4) research, investigation and information gathering;~~

~~(5) seeking to influence the position of a third party on municipal legislation or an issue related to municipal legislation by any means, including but not limited to engaging in community, public or press relations activities; and~~

~~(6) attending or monitoring City meetings, hearings or other events.~~

**Q. “Lobbying entity”** means a lobbyist, indirect lobbyist, lobbying firm or lobbyist employer, as defined in this article, or lobbying organization.

**R. “Lobbying firm”** means any entity, including an individual lobbyist other than a lobbying organization or indirect lobbyist, which that receives or becomes entitled to receive \$1,000 or more in monetary or in-kind compensation for engaging in lobbying activities (either personally or through its agents) during any consecutive three-month period, for the purpose of attempting one or more attempts to influence municipal legislation on behalf of any other person, provided any and that has a partner, owner, shareholder, officer, or employee of the entity who qualifies as a lobbyist. Compensation does not include reimbursement of or payment for reasonable travel expenses. An entity receives compensation within the meaning of this definition whether or not the compensation is received solely for activities regulated by this article or is

received for other activities as well; however, only that portion of compensation received for the lobbying activities shall count toward the qualification threshold. An entity **"becomes entitled to receive compensation"** when the entity agrees to provide services regulated by this Article, or performs those services, whether or not payment is contingent on the accomplishment of the client's purposes.

**S. "Lobbying organization"** means an entity, other than a lobbying firm or an indirect lobbyist, that employs a lobbyist in-house to attempt to influence on the entity's own behalf.

**T. "Lobbyist"** means any individual who is compensated to spend 30 or more hours in any consecutive three-month period engaged in lobbying activities which include engages in at least one direct communication with a City official or employee, conducted either personally or through agents, for the purpose of and receives or becomes entitled to receive \$5,000 or more in compensation in a calendar year for one or more attemptings to influence municipal legislation on behalf of any other one or more other persons.

Compensation does not include reimbursement of or payment for reasonable travel expenses. A person receives compensation within the meaning of this definition whether or not the compensation is received solely for activities regulated by this Article or is received for both lobbying activities and other activities as well. However, only the compensation for the lobbying activities shall be calculated to determine whether an individual qualifies as a lobbyist. An

individual **"becomes entitled to receive compensation"** when the individual or the entity in which the individual is an employee, partner, owner, shareholder or officer, agrees to provide services regulated by this Article, or performs those services, regardless of whether payment is contingent on the accomplishment of the client's purposes. A lobbyist includes a person who owns an investment in a business entity if that person attempts to influence municipal legislation on behalf of the business entity and if the person acquires the investment as compensation for his or her lobbying services or in contemplation of performing those services.

**"Lobbyist employer"** means an entity, other than a lobbying firm, that employs a lobbyist in-house to lobby on its behalf.

**"Major filer"** means any person who makes payments or incurs expenditures totaling \$5,000 or more during any calendar quarter for public relations, media relations, advertising, public outreach, research, investigation, reports, analyses, studies, or similar activities, for the purpose of attempting to influence action on any proposed or pending matter of municipal legislation, if these payments or expenditures are not required to be reported on a lobbyist or lobbying firm quarterly report. A **"major filer"** does not include a lobbyist, lobbyist employer, or lobbying firm. Expenditures and payments for regularly published newsletters or other routine communications between an organization and its members shall not be counted for the purpose of this definition.

**"Municipal legislation"** means any legislative or administrative matter proposed or pending before any agency

(as defined in this Article), including but not limited to those involving the granting, denial, revocation, restriction or modification of a license, permit or entitlement for use (including all land use permits) if the Mayor, the City Council, any of its committees, any agency board, commission, committee, or general manager, or any agency officer or employee charged by law with holding a hearing and making a decision, is charged by law with making a final decision on the matter. However, "**municipal legislation**" does not include any of the following:

- (1) A request for advice or for an interpretation of laws, regulations, City approvals or policies, or a direct response to an enforcement proceeding with the City Ethics Commission.
- (2) Any ministerial action. An action is ministerial if it does not require the City official or employees involved to exercise discretion concerning any outcome or course of action.
- (3) Any action relating to the establishment, amendment, administration, implementation or interpretation of a collective bargaining agreement or memorandum of understanding between an agency and a recognized employee organization, or a proceeding before the Civil Service Commission or the Employee Relations Board. Further, it does not include management decisions as to the working conditions of represented employees that clearly relate to the terms of such collective bargaining agreement or memorandum of

understanding. Nevertheless, "**municipal legislation**" does include any action relating to collective bargaining taken by the City Council, any of its committees or members (including the staffs of such members), or by the Mayor or his or her office.

- (4) Preparation or compilation of any radius map, vicinity map, plot plan, site plan, property owners or tenants list, abutting property owners list, photographs of property, proof of ownership or copy of lease, or neighbor signatures required to be submitted to the City Planning Department.

**"Person"** means any individual, business entity, trust corporation association, committee, or any other organization or group of persons acting in concert.

**U. "Political Reform Act"** means the California Political Reform Act of 1974 (California Government Code Sections 81000 et seq.) and the related regulations of the California Fair Political Practices Commission as amended from time to time.

**"Solicit"** means to ask, personally or through an agent, that another person make a contribution to an elective City officer or candidate for City office, or to his or her controlled committee, including allowing one's signature to be used on a written request for funds. For purposes of this article, a lobbying entity solicits a contribution only when the lobbying entity does so

- (1) at the behest of the elective City officer or candidate for elective City office, or his or her campaign

treasurer, campaign manager, or member of his or her fundraising committee, or

(2) if the lobbying entity has informed the candidate or officer that the person is soliciting the contributions.

A person does not solicit, however, by making a request for funds publicly to at least a majority of persons who attend any public gathering, or by making a request that appears published in a newspaper, on radio or television.

### SEC. 48.03. Exemptions

The following persons are exempt from the requirements of this Article:

- A. Any public official or government employee acting in his or her an official capacity, and any government employee acting within the scope of his or her employment.
- B. A newspaper or other regularly published periodical, radio or television station or network, including any individual who owns, publishes or is employed by such newspaper, periodical or station or network, when, in the ordinary course of its business, it publishes or media outlet that broadcasts news, editorials or other comments, or paid advertising, which that directly or indirectly attempts to influence action on municipal legislation and the media outlet's employees engaged in the same activity. This exemption does not apply to any other action by any such newspaper, periodical, station or network, or by any such person, to

attempt to influence municipal legislation, if such activity otherwise regulated by this Article a media outlet and its employees.

- C. A person consultant acting without any compensation or consideration other than reimbursement or payment of reasonable travel expenses under an agency consulting agreement.
- D. Any person whose only activity is submitting a bid on a competitively bid contract, submitting a written response to or participating in an oral interview for a request for proposals or qualifications, or negotiating the terms of a written agreement with any City agency if selected pursuant to that bid or request for proposals or qualifications participating in a competitive bid process. Except with regard to persons covered by subsections E and F, t This exemption shall does not apply to any person who attempts to influence the action of the Mayor or Mayor's staff, any member of the City Council member, or their a staffs member of the Mayor or a City Council member, or any board or commission member with regard to any such contract the competitive bid process.
- E. Any organization that is exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, which receives funding from any federal, state or local government agency for the purpose of representing the interests of indigent persons and whose primary purpose is to provide direct services to those persons, if the individual or individuals represented by the organization before any City agency provide no

~~payment to the organization for that representation, and was created primarily to provide direct basic life assistance to individuals at a rate that is significantly below market. Basic life assistance means assistance with food, clothing, shelter, child care, health, legal needs, and vocational needs. This exemption applies to the organization's employees and board members engaged in providing direct basic life assistance. This exemption shall does not apply to direct contracts with a City official in other than a publicly noticed meeting, for the purpose of attempting to influence a City decision with regard to any City funding which the organization is seeking other action by the organization and its employees and board members, including but not limited to seeking funding, property, or a permit from the City.~~

~~F. Any person employed by an organization described in Subsection E with respect to his or her activities as an employee of the organization.~~

## **SEC. 48.04 Prohibitions**

~~A. No lobbyist or A lobbying firm subject to the requirements of this Article entity shall not do any of the following:~~

~~A1. Do any Engage in an act with the purpose and intent of placing any City official employee under personal obligation to the lobbyist, the lobbying firm, entity or to the lobbyist's or firm's employer or lobbying entity's client.~~

~~B2. Fraudulently dDeceive or attempt to deceive any City official~~

~~employee with regard to any material fact that is pertinent to any pending or proposed municipal legislation a City matter.~~

~~C3. Cause or influence the introduction of any municipal legislation a City matter for the purpose of thereafter being employed or retained to secure its passage or defeat.~~

~~D4. Cause any communication to be sent to any City official employee in the name of any nonexistent person or in the name of any existing person without the that person's consent of such person.~~

~~E5. MOffer, make, or arrange for any payment to a City official, or act as an agent or intermediary in making any such payment by any other person, if the arrangement or the payment employee that would violate any provision of the Charter, the Campaign Finance Ordinance (Sections 49.7.1 et seq.), or the City's Governmental Ethics Ordinance (Los Angeles Municipal Code Sections 49.5.1, et seq.).~~

~~B. A client shall not offer, make, or arrange for a payment to a City official, as defined in Section 49.5.2(C), that is prohibited for the client's lobbyist or lobbying firm under Section 49.5.8.~~

## SEC. 48.05. Record ~~K~~keeping Responsibilities

- A. ~~LA~~ lobbying entities and major filers entity shall prepare and ~~retain~~ maintain detailed records ~~\_(including all books, papers and other documents)\_~~ needed to comply with ~~the requirements of that demonstrate compliance with~~ this Article.
- B. Treasurers and fundraisers for elective ~~elected~~ City officeholders and City officers, candidates for elected City office, or for any elective City officer's or City candidate's and controlled committees shall prepare and ~~retain~~ maintain detailed ~~contribution activity~~ records for any of contributions received as a result of fundraising activity engaged in by a lobbyist, lobbying firm or lobbyist employer, as defined by this article. These records shall be retained for not less than four years entity.
- ~~B. If a lobbying entity engages in fundraising activities as defined in Section 48.02 of this Code at the behest of a candidate or officeholder running for elective City office, the lobbying entity shall maintain records detailing any contributions that they know or have reason to know resulted from the fundraising activities running for elective City office contracts with a lobbying entity to engage in fundraising activity as described in Section 48.02 of this Code, the committee treasurer and fundraiser shall maintain records detailing any contributions that they know or have reason to know resulted from the fundraising activities. The treasurer and fundraiser shall make the records~~

~~available to the lobbying entity upon request of the lobbying entity.~~

- C. ~~If an officeholder or a candidate running for elective City office contracts with a lobbying entity to engage in fundraising activity as described in Section 48.02 of this code, the committee treasurer and fundraiser shall maintain records detailing any contributions that they know or have reason to know resulted from the fundraising activities. The treasurer and fundraiser shall make the records available to the lobbying entity upon request of the lobbying entity.~~ A lobbying entity and its vendors and clients shall comply with a lawful request to provide any record that details activity governed by this Article when the request is made by the Ethics Commission or another public officer with the authority to enforce this Article. A lobbying entity shall notify its vendors and clients of their responsibilities under this section.
- D. Records shall be maintained for at least four years. If a lobbying entity delivers or sends written communications to a certified neighborhood council in an attempt to influence municipal legislation as described in Section 48.08.8 of this Article, the lobbying entity shall prepare and maintain detailed records of these written communications for not less than four years. If a record relates to activity that must be disclosed through a public filing, the record shall be maintained for at least four years after the filing deadline.

## SEC. 48.06. Filing Methods

- A. ~~All~~Every registrations, reports, and other filings required by this Article must be submitted under penalty of perjury by the person who is required to file and must be filed in a format prescribed by the Ethics Commission. The Ethics Commission must provide public access to all filings.
- B. ~~A~~ lobbying ~~entities~~entity and a persons who ~~qualify~~qualifies as a lobbying ~~entities~~entity must file registrations, quarterly reports, terminations, and amendments to those filings electronically.
- C. If an electronic filing is required, the Ethics Commission must provide a unique identifier to the person who is required to file, to be used in place of a physical signature for submitting and verifying data under penalty of perjury. ~~All~~An electronic filing ~~is~~are presumed to be filed under penalty of perjury by the person required to file.
- D. If a paper filing is required, it must contain the physical signature of the person who is required to file. A document is considered filed on the earlier of the date of receipt by the Ethics Commission or the date of the postmark if it is mailed and bears the correct address and postage.

## SEC. 48.07. Registration

A lobbying entity shall register with the Ethics Commission within 10 business days after qualifying as a lobbying entity. A lobbying entity shall file an amendment to its registration statement within 10

business days after the information in the registration statement changes.

~~A. **Requirement.** An individual who qualifies as a lobbyist shall register with the City Ethics Commission within 10 days after the end of the calendar month in which the individual qualifies as a lobbyist. A person, including an individual lobbyist, shall register with the City Ethics Commission as a lobbying firm within 10 days after the end of the calendar month in which a partner, owner, shareholder, officer or employee qualifies as a lobbyist. If a person is not registered as a lobbyist or lobbying firm, but is performing acts which would require that person to so register, that person may continue to act as a lobbyist or lobbying firm so long as the person registers with the City Ethics Commission within 10 days after the person knew or should have known of the obligation to register. A lobbyist or lobbying firm shall register each client on whose behalf or from which the lobbyist or lobbying firm receives or becomes entitled to receive \$250 or more in a calendar quarter for engaging in lobbying activities related to attempting to influence municipal legislation.~~

BA. **Duration of Status.** A person who registers as a lobbyist or lobbying firm entity shall retain that status through the earlier of December 31 of that calendar year unless and until that person terminates the status as set forth below or the date of filing a termination statement. A lobbying entity shall file a termination statement within 20 business days

after ceasing all activity governed by this Article.

**CB. Registration Fees.** ~~Every lobbyist shall pay a~~ An annual registration fee of \$450 plus \$75 for each client on whose behalf or from which the lobbyist receives or becomes entitled to receive \$250 or more in a calendar quarter. Persons who initially register during the last quarter of a calendar year (October through December) shall pay prorated registration fees of \$337 for each lobbyist plus \$56 for each client shall be paid for each lobbying entity. An individual who qualifies as both a lobbyist and a lobbying firm shall pay a registration fee only as a lobbying firm. An annual registration fee of \$75 shall be paid for each client of a lobbying firm.

**DC. Contents of Registration Statements — Lobbyists.**

Registration statements of lobbyists shall contain the following:

1. Every registration statement shall contain the following information:
  - a. The lobbyist's lobbying entity's name, business address, business email, and business telephone number.
  - 2b. The lobbying firm, if any, of which the lobbyist is an employee, partner, officer or owner name, title, address, email, and telephone number of the individual responsible for filing the registration statement.
  - 3c. If the lobbyist is not an employee, partner, officer or owner of a lobbying firm, the

~~name, address and telephone number of the lobbyist's employer~~ The date of qualification as a lobbying entity.

4d. Each City agency that the lobbyist lobbying entity has the authority to attempted to and will attempt to influence on behalf of any client or employer.

e. Each City matter that the lobbying entity has attempted and will attempt to influence, including City reference numbers.

f. The position that was taken or will be taken on each matter.

5g. A statement that the lobbyist lobbying entity has reviewed and understands the requirements of this Article, including the education requirement in Section 48.10, and will notify all clients and vendors of their responsibilities under Section 48.05(B).

6h. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.

2. In addition to the information in paragraph 1, a registration statement for a lobbyist must also contain the following:

a. The name, address, email, and telephone number of the lobbyist's employer.

b. A statement regarding whether the lobbyist is a sole proprietor.

c. A statement regarding whether the lobbyist is a former City employee and, if so, the lobbyist's last date of service to the City.

3. In addition to the information in paragraph 1, a registration statement for a lobbying firm must also contain the following:

a. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee.

b. For each client:

i. The client's name, address, email, and telephone number.

ii. The name of each lobbyist who has attempted or will attempt to influence.

iii. The City matters regarding which each lobbyist will attempt to influence, including City reference numbers.

4. In addition to the information in paragraph 1, a registration statement for a lobbying organization must also contain the name of each lobbyist who is a partner, owner, shareholder, officer, or employee.

5. In addition to the information in paragraph 1, a registration

statement for an indirect lobbyist must also contain the following:

a. Each City matter the indirect lobbyist has attempted and will attempt to influence, including City reference numbers.

b. The indirect lobbyist's position on each City matter.

c. The nature of the indirect lobbyist's business.

d. For an individual, a statement regarding whether the indirect lobbyist is a former City employee and, if so, the indirect lobbyist's last date of service to the City.

#### **E. Contents of Registration Statements — Lobbying Firms**

Registration statements of lobbying firms (including individual contract lobbyists) shall contain the following:

1. The name, address, email, and telephone number of the firm.

2. The name of each lobbyist who is a partner, owner, shareholder, officer or employee of the firm.

3. For each client on whose behalf or from which the firm received or became entitled to receive \$250 in compensation during the calendar quarter for engaging in lobbying activities related to attempting to influence municipal legislation within the meaning of this Article:

(a) The client's name, business or residence address, and business or residence telephone number.

~~(b) The period during which the representation will occur.~~

~~(c) The item or items of municipal legislation for which the firm was retained to represent the client, or, if no specific items of municipal legislation for which the firm was retained to represent the client can be identified, a description of the types of municipal legislation for which the firm was retained to represent the client.~~

~~(d) Each City agency that the lobbying firm has the authority to attempt to influence on behalf of the client.~~

~~(e) In the case of a lobbyist who is an individual contract lobbyist, a statement that he or she has reviewed and understands the requirements of this Article.~~

~~(f) The name, address, email, and telephone number of the person responsible for preparing the statement.~~

~~(g) Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.~~

#### **F. Amendments to Registrations.**

~~Lobbyists and lobbying firms shall file amendments to their registration statements within 10 days of any change in information required to be set forth on the registration statement.~~

~~**G. Termination.** Any person registered under this Article shall file a termination statement with the City Ethics~~

~~Commission within 20 days after ceasing all activity governed by this Article.~~

~~**H. Education Requirement.** Every individual who is required to register as a lobbyist shall attend a City lobbying information session conducted by the City Ethics Commission no less than once every two calendar years, according to the following schedule:~~

~~(1) An individual who has not registered as a lobbyist in the immediately preceding two calendar years shall attend a City lobbying information session within six months of his or her registration date as a lobbyist.~~

~~(2) A registered lobbyist who did not attend a City lobbying information session during the previous calendar year shall attend a City lobbying session by the end of the current calendar year.~~

~~(3) A registered lobbyist who attends a City lobbying information session during the current calendar year is not required to attend a City lobbying information session during the following calendar year.~~

### **SEC. 48.08. Disclosure Reports**

**A. Reporting Requirement.** Every lobbyist, A lobbying firm, lobbyist employer and major filer entity shall file the a quarterly disclosure reports required by this Section on or before the last day of the month following each calendar quarter. for every two-month reporting period during which the lobbying entity was registered, was required to register, or had reportable activity. An individual who

qualifies as both a lobbyist and a lobbying firm shall file only lobbying firm reports.

**B. Deadline.** Disclosure reports shall be filed by the following deadlines and shall disclose activity for the two calendar months immediately preceding the deadline:

1. By March 10, for activity from January 1 through the last day of February. All lobbyists and lobbying firms shall file quarterly reports for every calendar quarter during which they retain that status. An individual who qualifies both as a lobbyist and lobbying firm shall file only a lobbying firm quarterly report. Lobbyist employers shall file quarterly reports for every calendar quarter during which any individual employed by that employer retains the status as lobbyist. Information required to be disclosed concerning compensation received or expenditures made for lobbying shall be disclosed either by the lobbyist or by his or her lobbying firm or employer.
2. By May 10, for activity from March 1 through April 30. Major filers shall file quarterly reports for every calendar quarter during which they made qualifying payments or incurred qualifying expenditures totaling \$5,000 or more.
3. By July 10, for activity from May 1 through June 30. Quarterly reports shall disclose all required information for the calendar quarter immediately prior to the

month in which the report is required to be filed.

4. By September 10, for activity from July 1 through August 30.

5. By November 10, for activity from September 1 through October 31.

6. By January 10, for activity from November 1 through December 31.

**BC. Quarterly Reports by Lobbyists**

**—Contents.** Quarterly reports by lobbyists shall contain the following information:

1. Every disclosure report shall contain the following information:
  - a. The lobbyist's lobbying entity's name, business address, email, and business telephone number.
  - 2b. The lobbying firm, if any, of which the lobbyist is a partner, owner, shareholder, officer or employee name, title, address, email, and telephone number of the individual responsible for filing the disclosure report.
  3. If the lobbyist is not a partner, officer or owner of a lobbying firm, the name, address and telephone number of the lobbyist's employer.
  - 4c. The total amount of all gifts and other financial benefits that the lobbying entity and the lobbying entity's clients gave to City employees and members of City employees' immediate

families. For purposes of this Subparagraph and Subparagraph d, a gift includes but is not limited to a contribution to an individual's campaign for election to a neighborhood council, a pension board, or another City position other than an elected City office.

d. For each gift or other financial benefit valued at \$25 or more that the lobbying entity or one of the lobbying entity's clients gave to a City employee or a member of a City employee's immediate family:

i. The date given.

ii. The amount or fair market value.

iii. A description of each activity expense of \$25 or more made by the lobbyist during the reporting period.

iv. The name and title of the City official benefiting from the expense employee.

v. The name and address of the each payee, and

vi. The name of the client, if any, on whose behalf the expense was made for whom the gift or financial benefit was given. An activity expense shall be considered to be gift or benefit is made given on behalf of for a client if the client requested or

authorized the expense it or if the expense it was made given in connection with an event at which the lobbyist lobbying entity attempted to influence the official City employee on behalf of the client.

5. The total amount of activity expenses made by the lobbyist during the reporting period, whether or not itemized.

6e. The name of any elective City officer, candidate for elective City office, or any controlled committee of the officer or candidate to which the lobbyist made For each contributions of \$100 or more, or which were to an elected City officer, a candidate for elected City office, or a controlled committee that the lobbying entity made, delivered, by the lobbyist, or in connection with which the lobbyist acted as an intermediary, during the reporting period, and for:

i. The name of the elected City officer, the candidate for elected City office, or the controlled committee.

ii. The date and of the contribution.

iii. The amount of the contribution.

f. If the lobbying entity made or incurred expenses for or distributed 25 or more substantially similar copies of a

fundraising solicitation, the information required by Section 48.09(B).

7g. The name of any For each elective-elected City officer, candidate for elective-elected City office, or any City controlled committee of the officer or candidate for which the lobbyist-lobbying entity engaged in any fundraising activity during the reporting period.;

i. The name of the elected City officer, the candidate for elected City office, or the controlled committee.

ii. ~~†~~The date(s) of the fundraising activity.

iii. The number of persons from whom contributions were solicited.

iv. ~~and †~~The amount of funds the lobbyist knows or has reason to know were raised as a result of the fundraising activity.

v. A statement regarding whether another person was involved in the same fundraising activity.

8h. —The date and amount of If the lobbying entity made one or more contributions aggregating more than \$1,000 made by the lobbyist or more at the behest of an elective-elected City officer or candidate for elective-elected City office during the

reporting period to any and all controlled committees of any other elective-elected City officers or candidates for elective-elected City office, the following for each contribution:

i. The date of the behest.

ii. The name of the elected City officer or candidate for elected City office who made the behest.

iii. The date of the contribution.

iv. The amount of the contribution.

v. A description of the contribution.

vi. ~~†~~The name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest.

9j. The date, amount and description of If the lobbying entity made one or more donations aggregating \$1,000 or more made by the lobbyist at the behest of an elective-elected City officer or candidate for elective-elected City office during the reporting period to any religious, charitable, or other nonprofit organizations, the following for each donation:

i. The date of the behest.

ii. The name of the elected City officer or candidate for

elected City office who made the behest.

iii. The date of the donation.

iv. The amount of the donation.

v. A description of the donation.

vi. The name and address of the payee,  
~~, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest.~~

40j. ~~If, during the quarterly reporting period, the lobbyist provided~~ For each elected City officer, candidate for elected City office, or controlled committee to which the lobbying entity provided compensated services, including consulting services, to the campaign of any candidate for elective City office, or to a campaign for or against any City ballot measure,:

i. ~~the name of the~~ elected City officer, candidate for elected City office, or controlled committee.

ii. ~~the elective City office sought by the candidate, the ballot number or letter of the ballot measure, the date of the election, if applicable.~~

iii. ~~, the~~ amount of compensation earned for the compensated services,

iv. The amount of compensation received.

v. ~~and a~~ A description of the nature of the services provided.

~~Such information. An individual shall be reported this information if whether the services were provided by the lobbyist individual personally provided the services, or if the services were provided by a business entity in which the lobbyist owns at least a 10% individual held an ownership or investment, interest of at least 10 percent and whether the compensation was or is to be provided directly to the lobbyist individual or to such the business entity.~~

41k. ~~If, during the quarterly reporting period, the lobbyist provided compensated services under~~ For each contract with the City or with any City agency, including consulting services, under which the lobbying entity provided compensated services to an agency:

i. ~~the amount of compensation received,~~ the agency for which the services were provided.

ii. ~~, a~~ A description or other identification of the contract,

including City reference numbers.

iii. The amount of compensation earned.

iv. The amount of compensation received.

v. ~~and the nature~~A description of the services provided.

~~Such information shall be reported if the lobbyist~~An individual shall report this information whether the services were provided by the individual personally provided the services, or if the services were provided by a business entity in which the lobbyist owns individual held an ownership or investment interest of at least a 10% investment, and whether the compensation was or is to be provided directly to the lobbyist individual or to such the business entity.

~~12. Each City agency that the lobbyist attempted to influence.~~

~~13. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.~~

2. In addition to the information in paragraph 1, a disclosure report for a lobbyist must also contain the following:

a. The name, address, email, and telephone number of the lobbyist's employer.

b. For each City matter the lobbyist attempted to influence:

i. A description of the matter, including City reference numbers.

ii. The position taken on the matter.

iii. The name, address, email, and telephone number of the client on whose behalf the attempt to influence was made.

iv. The agency, division, and title of each City employee with whom the lobbyist engaged in a direct communication and the date of the direct communication.

3. In addition to the information in paragraph 1, a disclosure report for a lobbying firm must also contain the following:

a. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee.

b. For each City matter the lobbying firm attempted to influence:

i. A description of the matter, including City reference numbers.

- ii. The position taken on the matter.
- iii. The name, address, email, and telephone number of the client on whose behalf the attempt to influence was made.
- iv. The name of each partner, owner, shareholder, officer, or employee who engaged in a direct communication.
- v. The agency, division, and title of each City employee with whom a partner, owner, shareholder, officer, or employee engaged in a direct communication and the date of the direct communication.
- vi. Total client payments incurred for attempts to influence.
- vii. Total client payments received for attempts to influence.
- c. Total payments incurred and received from clients.
- d. Total payments to lobbyist personnel for attempts to influence.
- e. Total payments to non-lobbyist personnel for attempts to influence.
- f. Total expenses attributable to attempts to influence, other than overhead expenses, including the amounts in

Subparagraphs d and e and all other expenses that would not have been incurred but for an attempt to influence. Each expense of \$5,000 or more must be itemized with a description, the date, the amount, the name and address of each third-party payee, the related City matter, including City reference numbers, and the client on whose behalf the expense was incurred.

4. In addition to the information in paragraph 1, a disclosure report for a lobbying organization must also contain the following:

- a. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee.
- b. For each City matter the lobbying organization attempted to influence:
  - i. A description of the matter, including City reference numbers.
  - ii. The position taken on the matter.
  - iii. The name of each partner, owner, shareholder, officer, or employee who engaged in a direct communication.
  - iv. The agency, division, and title of each City employee with whom a partner, owner, shareholder, officer, or employee engaged in a direct communication and

- the date of the direct communication.
- c. Total payments to lobbyist personnel for attempts to influence.
  - d. Total payments to non-lobbyist personnel for attempts to influence.
  - e. Total expenses attributable to attempts to influence, other than overhead expenses, including the amounts in Subparagraphs c and d and all other expenses that would not have been incurred but for an attempt to influence. Each such expense of \$5,000 or more must be itemized with a description, the date, the amount, the name and address of each third-party payee, the related City matter, including City reference numbers, and the client on whose behalf the expense was incurred.
5. In addition to the information in paragraph 1, a disclosure report for an indirect lobbyist must also contain the following:
- a. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee.
  - b. For each City matter the indirect lobbyist attempted to influence:
    - i. A description of the matter, including City reference numbers.
    - ii. The position taken on the matter.
    - iii. The name of each partner, owner, shareholder, officer, or employee who engaged in a direct communication.
    - iv. The agency, division, and title of each City employee with whom a partner, owner, shareholder, officer, or employee engaged in a direct communication and the date of the direct communication.
    - v. The name, address, email, and telephone number of each person who has, or in the previous 12 months had, a financial interest in the matter and contributed at least \$1,000 to the indirect lobbyist or paid for at least 20 percent of the indirect lobbyist's expenses attributable to attempts to influence.
  - c. Total payments to personnel for attempts to influence.
  - d. Total expenses attributable to attempts to influence, other than overhead expenses, including the amount in Subparagraph d and all other expenses that would not have been incurred but for an attempt to influence. Each such expense of \$5,000 or more must be itemized with a description, the date, the amount, the name and address of each third-party payee, and

the related City matter, including City reference numbers.

lobbying entity, the names of the persons making the distributions.

### **SEC. 48.08.59. Copies of Solicitations**

~~Each A lobbying entity that produces, pays shall notify the Ethics Commission when it makes or incurs expenses for, mails or distributes more than 50 substantially similar copies of a written political fundraising solicitation to 25 or more persons, for any controlled committee of an elective City officer or candidate relating to seeking or holding City elective office or supporting or opposing a City ballot measure shall send a copy of the solicitation to the City Ethics Commission for public access, at the time the solicitation is sent or otherwise distributed,~~

A. The notice shall be filed within one business day after the earlier of the date the fundraising solicitation is first distributed or the date an expense is made or incurred.

B. and shall report on its next quarterly report. The notice shall include the following:

1. A copy of the fundraising solicitation.
2. A description of the fundraising solicitation.
3. ~~†~~The date(s) on which it is mailed or the fundraising solicitation was distributed.
4. The number of copies distributed and, if not distributed by the

5. The dates and amounts -of the expenses that were made or incurred and, if not made or incurred by the lobbying entity, the names of the persons making or incurring the expenses.

6. The name and address of each payee and any vendor or subvendor that provided service for the fundraising solicitation, and a general description of the content of the solicitation, the number of pieces mailed or distributed,

7. ~~and~~ The names of the elective each elected City officer, or candidate for elected City ballot measure office, and controlled committee for which the funds were solicited fundraising solicitation was made.

### **SEC. 48.08.6. Lobbying Disclosure— Political Contributions**

~~A. Each lobbying entity, which makes one or more contributions to an elective City officer and/or to any or all of his or her controlled committees, shall file a notice with the City Ethics Commission each time the making of a contribution results in the lobbying entity having made contributions aggregating more than \$7,000 to the officer and/or his or her controlled committees within the past 12 months. The notice shall be filed on a form prescribed by the Commission within one business day after making a contribution that triggers the filing~~

requirement. The notice shall contain the following information:

1. The name, address and telephone number of the filer, the name of the elective City officer, and/or any or all of his or her controlled committees, to which the lobbying entity made contributions aggregating more than \$7,000 during the past twelve months, and the date and amount of each contribution.
  2. For purposes of this section, a "controlled committee" does not include any committee controlled by an elective City officer that is
    - (a) formed to support or oppose a ballot measure or
    - (b) formed to support the election of that officer to other than elective City office.
- B. The original notice shall be filed with the City Ethics Commission, and copies shall be filed with the City Clerk and the elective City officer involved. Each notice may only include information relative to one elective officer.
- C. The form shall be considered filed on the date of the postmark or on the date of delivery to the City Ethics Commission, whichever is earlier.
- D. The form shall be verified under penalty of perjury by the individual filing it or by an officer of the entity authorized to file it.
- E. The City Ethics Commission shall post the information in the notice on

its website within one business day of its receipt of the notice. The City Clerk shall make the notice available for inspection within one business day of its receipt.

#### **SEC. 48.08.7. Lobbying Disclosure — Fundraising Activity**

A. Every lobbying entity who within any 12 month period (i) engaged in fundraising activities on behalf of an elective City officer and/or any and all of his or her controlled committees, and which knows or has reason to know that the fundraising activities resulted in contributions, and/or (ii) delivered or acted as an intermediary for one or more contributions to the elective City officer and/or any and all of his or her controlled committees, shall file a notice with the City Ethics Commission any time the activities identified in (i) and/or (ii) aggregate more than \$15,000 in the case of a member of the City Council, or more than \$35,000 in the case of the Mayor, City Attorney, or Controller. The notice shall be filed on a form prescribed by the City Ethics Commission within one business day after any of these thresholds is exceeded. The notice shall contain the following information:

1. The name, address and telephone number of the filer, the name of the elective City officer, and/or any or all of his or her controlled committees, on whose behalf the lobbying entity engaged in fundraising activities, or delivered or acted as intermediary for one or more contributions to the elective City officer and/or any and all of his or her controlled committees,

~~the date of the fundraising activity, and the amount of contributions raised, delivered or in connection with which the lobbying entity acted as an intermediary.~~

~~2. For purposes of this section, a “controlled committee” does not include any committee controlled by an elective City officer that is~~

~~(a) formed to support or oppose a ballot measure or~~

~~(b) formed to support the election of that officer to other than elective City office.~~

~~3. For purposes of this notification, if a fundraising event is sponsored or hosted by more than one person, the amount of contributions received at or as a result of the event shall be attributed to each lobbying entity who hosted or sponsored the event according to the amount of the contributions that resulted from that lobbying entity’s fundraising activities. If a contribution results from the fundraising of more than one person and/or lobbying entity, that contribution shall be apportioned equally to each of the persons and/or lobbying entity that engaged in the fundraising activity.~~

~~B. The original notice shall be filed with the City Ethics Commission, and copies shall be filed with the City Clerk and the elective City officer involved. Each notice may only include information relative to one elective officer.~~

~~C. The form shall be considered filed on the date of the postmark or on the date of delivery to the City Ethics Commission, whichever is earlier.~~

~~D. The form shall be verified under penalty of perjury by the individual filing it or by an officer of the entity authorized to file it.~~

~~E. The City Ethics Commission shall post the information in the notice on its website within one business day of its receipt of the notice. The City Clerk shall make the notice available for inspection within one business day of its receipt.~~

**~~Sec. 48.08.8. Lobbying Disclosure—  
Written Communications to  
Neighborhood Councils~~**

~~(a) No lobbying entity registered with the City of Los Angeles shall deliver or send to a certified neighborhood council a written communication on behalf of a client, including, but not limited to, letters, faxes, electronic messages, and flyers, without a disclosure indicating that the communication was delivered or sent by that lobbying entity.~~

~~(b) For purposes of subsection (a), the required disclosure shall be printed clearly and legibly in no less than 8-point type in a color or print that contrasts with the background so as to be legible and shall be presented in a clear and conspicuous manner in the written communication. The disclosure shall include all of the following information applicable to the written communication:~~

- (1) ~~The name of the lobbyist(s) that prepares, delivers or sends the written communication;~~
- (2) ~~The name of the registered lobbying firm(s) or lobbyist employer(s) who employs the lobbyist(s) that prepares, delivers or sends the written communication; and,~~
- (3) ~~The name of the client or clients on whose behalf the lobbying entity prepares, delivers, or sends the written communication in an attempt to influence municipal legislation.~~

**SEC. 48.10. Education.** ~~An individual who is required to register as a lobbyist shall complete a training provided by the Ethics Commission at least once every two calendar years. An individual who is required to register as a lobbyist for the first time shall complete the training within 60 calendar days after qualifying as a lobbyist. Thereafter, the individual shall complete the training every other year, within 60 calendar days after registering as a lobbyist.~~

**SEC. 48.0911. Compliance Measures and Enforcement**

~~**A. Audits.** The City Ethics Commission shall have the authority to conduct audits of reports and statements filed pursuant to this Article. Such audits may be conducted on a random basis or when the City Ethics Commission staff has reason to believe that a report or statement may be inaccurate or has not been filed.~~

**BA. Criminal Penalties.**

1. ~~Any~~ person who knowingly or willfully violates ~~any~~ provision of this Article is guilty of a misdemeanor. ~~Any~~ person who knowingly or willfully causes any other person to violate ~~any~~ provision of this ~~a~~Article, or who knowingly or willfully aides and abets ~~any~~ other person in ~~violation of any violating a~~ provision of this ~~a~~Article, is guilty of a misdemeanor.
2. Prosecution for violation of ~~any~~ provision of this ~~a~~Article must be commenced within one year after the date on which the violation occurred.
3. ~~No~~ ~~A~~ person convicted of a violation of this Article may ~~not~~ act as a ~~lobbyist lobbying entity~~ or otherwise attempt to influence ~~municipal legislation for compensation~~ for one year after such conviction.

**CB. Civil Enforcement.**

1. ~~Any~~ person who ~~knowingly violates any provision of Section 48.04 shall be liable in a civil action brought by the City Attorney.~~ ~~Any person who intentionally or negligently violates any other provisions~~ of this Article ~~shall be is~~ liable in a civil action brought by the City Attorney, ~~the Ethics Commission, or a person residing within the City.~~ ~~Failure to properly report any receipt or expenditure may result in civil penalties not to exceed the amount not properly reported, or~~

~~\$2,000, whichever is greater. Any other violation may result in civil penalties no greater than \$2,000. The amount of liability for a violation may not exceed the greater of \$5,000 or three times the amount the person improperly reported, contributed, expended, gave, or received.~~ If the court determines that a violation was intentional, the court may order that the defendant person be prohibited from acting as a lobbyist lobbying entity or otherwise attempting to influence municipal legislation for one year.

2. If two or more persons are responsible for a violation, they are jointly and severally liable.
3. Before filing a civil action pursuant to this Subsection, a person other than the City Attorney shall first file with the Ethics Commission a written request for the Ethics Commission to commence an action. The request shall contain a statement of the grounds for believing a cause of action exists. The Ethics Commission shall respond within 40 days after receiving the request and indicate whether it intends to file a civil action. If the Ethics Commission indicates in the affirmative and files an action within 40 days after the response, no other action may be brought unless the action brought by the Ethics Commission is dismissed without prejudice.
4. In determining the amount of liability pursuant to this subsection, the court shall may take into account the seriousness of the

violation and the degree of culpability of the defendant. If a judgment is entered against the defendant or defendants in an action, a private plaintiff shall receive 50 percent of the amount recovered. The remaining 50 percent shall be deposited into the City's General Fund. In an action brought by the City Attorney or the Ethics Commission, the entire amount shall be paid to the City's General Fund.

~~3. If two or more persons are responsible for any violation, they shall be jointly and severally liable.~~

~~45. No civil An~~ action alleging a violation of this Article shall may not be filed more than four years after the date the violation occurred.

~~DC. Injunction. A person residing within the City, including the City Attorney on behalf of the people of the City of Los Angeles, may seek sue for~~ injunctive relief to enjoin violations of or to compel compliance with the provisions of this aArticle.

D. Costs of Litigation. In a civil action, the court may award to a prevailing party, other than an agency, the party's costs of litigation, including reasonable attorney's fees. If the costs or fees are awarded against the City, the payment of the award is the responsibility of the City, subject to City Council approval.

#### E. Administrative Penalties.

1. The City Ethics Commission may impose penalties and issue orders

for violations of this Article pursuant to its authority under Charter Section 706(c).

2. A person found to have violated Charter Section 470(k) shall not act as a lobbying entity or otherwise attempt to influence City matters for four years. The Ethics Commission may reduce that period of time to not less than one year if it finds either of the following:

- a. The person admitted or otherwise accepted responsibility for the violation.
- b. The person took prompt remedial or corrective action.

#### **F. SEC. 48.12. Late Filing Penalties.**

In addition to any other penalty ~~or remedy available, if any~~ person ~~fails to who~~ files any original report or statement ~~required by this Article,~~ after ~~any~~ deadline imposed by this Article, ~~such person shall be is~~ liable to the City Ethics Commission in the amount of ~~twenty-five dollars (\$25)~~ per day after the deadline until the statement or report is filed, up to a maximum ~~amount~~ of \$500. Liability need not be enforced by the Ethics Commission if its Executive Officer determines that the late filing was not willful and that enforcement of the penalty would not further the purposes of this Article. ~~No liability shall may not~~ be waived if a statement or report is not filed within 10 days after the Ethics Commission ~~has sent specific sends~~ written notice ~~to the filer of the filing requirement that the statement or report is past due.~~

#### **G. Restriction on Person Who Violates Certain Laws.**

1. ~~No person shall act or continue to act as a registered lobbyist or lobbying firm if, within the prior four years, that person has been found by the City Ethics Commission, in a proceeding pursuant to Charter Section 706, to have violated City Charter Section 470(k) on any occasion. That determination shall be based either on a finding of the City Ethics Commission made after an administrative hearing or on a stipulation by the lobbyist or lobbying firm entered into with the City Ethics Commission within the previous four years.~~

2. ~~If the City Ethics Commission makes a finding that the person has either~~

- (1) ~~accepted responsibility for the violation in the form of having entered into a stipulation with the City Ethics Commission in which the party admits the violation, or otherwise exhibits evidence of having accepted such responsibility, or~~
- (2) ~~mitigated the wrongdoing by taking prompt remedial or corrective action, then the City Ethics Commission may reduce the time period during which the above prohibition would apply to a period of not less than one year.~~

#### **H. SEC. 48.13. Contract Bidder Certification of Compliance With Lobbying Laws.**

1A. ~~Any~~ bidder for a contract, as ~~these terms are~~ defined in Los Angeles

Administrative Code Section 10.40.1, shall submit with its bid a certification, ~~on-in~~ a form ~~at~~ prescribed by the ~~City~~-Ethics Commission, that the bidder acknowledges and agrees to comply with ~~the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance this Article~~ if the bidder qualifies as a lobbying entity ~~under Section 48.02 of this article~~. The exemptions contained in Section 48.03 ~~of this article~~ and Los Angeles Administrative Code Section 10.40.4 ~~shall do~~ not apply to this ~~subsection~~.

~~2B.~~ ~~Each~~ ~~Every~~ agency shall include ~~the Municipal Lobbying Ordinance~~ in each ~~invitation request~~ for bids, request for proposals, request for qualifications, or other ~~contract solicitation related to entering into a contract with the City~~. ~~The ordinance must be provided in at least 10-point font and may be provided on paper, in an electronic format, or through a the link to the an Ethics Commission's online version of the ordinance. The ordinance is not required to be printed in a newspaper notice of the solicitation this Article.~~

~~3C.~~ This ~~subsection~~ does not apply to the renewal, extension, or amendment of an existing contract, as long as the ~~original contract solicitation for the original contract~~ met the requirements in ~~Paragraphs 1 and 2 above~~ Subsections A and B and the renewal, extension, or amendment does not involve a new contract solicitation.

~~4.~~ ~~For purposes of this subsection, "agency" does not include a state agency operating solely within the City such as the Community Redevelopment Agency or Los Angeles City Housing Authority.~~

#### ~~SEC. 48.10.~~ **Ethics Commission Reports**

~~As soon as practicable after the close of each quarterly reporting period, the City Ethics Commission shall prepare a report to the Mayor and City Council of lobbying activity which occurred during the reporting period. Such report shall be in a form which, in the opinion of the Commission, best describes the activities, receipts and expenditures of persons subject to the requirements of this article.~~

#### ~~SEC. 48.1114.~~ **Severability**

~~The provisions of this Article are severable. If any provision of this aArticle, or its application to any person or circumstance, is held invalid by any court, the remainder of this aArticle and its the application of the provision to other persons and circumstances, other than that which has been held invalid, shall is not be affected by such invalidity that determination, and to that the extent that the provisions of this article are declared to be severable or its application can be given effect.~~

. . . .



Ethics Policy &lt;ethics.policy@lacity.org&gt;

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## Re: Policy Update - July 2017

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Fri, Jul 14, 2017 at 8:29 AM

[REDACTED]  
To: Ethics Policy <ethics.policy@lacity.org>

Good morning, Ethics Commission, and thanks for asking.

With respect to quarterly disclosures, I would like to see more specificity in terms of issues and agencies lobbied. In particular:

1. Presently lobbying firms and employers have to disclose projects and issues but individual lobbyists do not. I would like to see individuals disclose projects and issues as well.

2. I would like to see more detail with respect to agencies lobbied. For instance, knowing that an entity lobbied "City Council" is not very helpful in tracking their activities via the Public Records Act or through the council file system. If they could disclose exactly which officials or employees they met with, or second best at least which Council districts and subdivisions of agencies they lobbied, it'd be extremely useful. Ideally I'd like to see a list of all individual City officials that each lobbyist met with. I realize that probably this isn't feasible, but any additional information would be useful.

3. I'd like to see stricter standards for project descriptions for all lobbying entities. Just for instance, I've attached Liner LLP's Q1 disclosure. They list projects such as "Koreatown" and "DTLA." How is anyone supposed to figure out what that means? And they're in no way unique. Descriptions are often this vague. I'd like to see at a minimum CF numbers or other reference numbers for every project. Ideally I'd like to see enough information for projects and for agencies lobbied so that I can frame a sufficiently specific CPRA request on the issue. An actual description of what the lobbying entities are trying to achieve would also be extremely useful.

Thanks again,

Adrian Riskin

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296K



Ethics Policy <ethics.policy@lacity .org>

Comments on disclosure policy for lobbyists

1 message

Rosalie Preston [redacted]  
To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Fri, Jul 14, 2017 at 11:08 PM

As a Neighborhood Council Board member working on Planning and Land Use issues, I have noticed that except for a few high-powered representatives on land use issues, most of those who are listed on the applications we receive as the representatives for he projects are not listed as official lobbyists. I think that if a person is representing a developer on a land use project, that person should be required to register as a lobbyist, no matter how little time spent or money received on the project. There should also be an information sheet for such representatives reminding them of the requirement to register.

Rosalie Preston

[redacted]

[redacted]



Ethics Policy &lt;ethics.policy@lacity .org&gt;

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## Lobbyist Disclosure Reports - Comments

1 message

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Craig Lawson [REDACTED]  
To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Sat, Jul 15, 2017 at 2:56 PM

City Ethics Commission Members,

I am a registered lobbyist with the City of Los Angeles, and have been for many years.

I have several concerns about the lobbyist disclosure reports, as follows:

**Client Registrations Expire on December 31:** We register our Clients throughout the year, but those registrations are only valid until December 31 of that year. Even if we register a Client on December 1, it becomes void at that end of that month. This creates a lot of extra work, with no benefit to the public. The Client Registrations should roll over to the next year, and should continue until we are no longer representing that Client. I know that the City Ethics Commission wants to collect the \$75 annual fee per Client, and I don't mind paying that fee, but the re-registration process takes a lot of time. We shouldn't have to re-register ongoing Clients each year.

**Amount Paid to Lobbyists:** Each quarter we have to report the amount paid to in-house lobbyists as well as non-lobbyist employees. Since we only have three in-house lobbyists, by reporting the amount paid, it's pretty easy for anyone to figure out how much each of our lobbyists is paid. This is a violation of privacy, and further, there is no public value in learning this information. Reporting what our clients are paying us is one thing, but reporting what we pay to our employees should not be public information.

**Reporting Client Information:** We work with a number of individuals, partnerships, and trusts who work very hard to maintain their personal privacy (almost impossible these days). I don't mind reporting the name of our Client, but reporting their address and phone number is excessive. More and more of our clients are using their cell phones as their primary phone numbers, and reporting that number makes it available to anyone who can use Google to search the Internet. I know that the Ethics Commission staff is "redacting" some of the client addresses, but they need to do the same with phone numbers, and they should justify why we need to provide this information.

**Lobbyists Who Don't Register:** I am seeing more and more "lobbyists" who are choosing not to register as "lobbyists". Some of them are lawyers, but most of them are advocates, zoning consultants, expeditors, and architects who are doing the same work that we do, but are not registering with the City Ethics Commission. A regular review of the City Planning Commission and PLUM Committee Agendas will yield names of various unregistered lobbyists. More enforcement is needed in this area.

Thank you for your time.

Regards,

Craig Lawson

[REDACTED]

This email (including any attachments) is meant for recipient's use only. This email may contain information that is confidential. If you received this email in error, please immediately advise the sender by replying to this email and then delete this message from your system. Thank you.



Ethics Policy <ethics.policy@lacity.org>

Re: Policy Update - July 2017

1 message

Brian McCormick [redacted]  
To: Ethics Policy <ethics.policy@lacity.org>

Sun, Jul 16, 2017 at 12:02 PM

One of my biggest concerns with the disclosure process is the job classifications are inaccurate and out of date. I have attempted to get mine corrected in the past with no success.

On Jul 13, 2017 6:44 PM, "Ethics Policy" <ethics.policy@lacity.org> wrote:



**Policy Update**  
July 2017

**Municipal Lobbying Ordinance Review - Disclosure Reports**

The Ethics Commission is conducting a comprehensive review of the Municipal Lobbying Ordinance. A major component of the review concerns disclosure reports, which can be found in [Los Angeles Municipal Code § 48.08](#).

We welcome feedback regarding your perspective on or experience with the current disclosure requirements. Comments can be e-mailed to [ethics.policy@lacity.org](mailto:ethics.policy@lacity.org). We hope to discuss the disclosure requirements at the Ethics Commission meeting on August 15, 2017. Comments received by July 24, 2017, will be most helpful in informing that conversation.

This message was sent to [redacted] by:  
Los Angeles Ethics Commission  
200 N. Spring Street  
City Hall, 24th Floor  
Los Angeles, CA 90017  
(213) 978-1960

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Ethics Policy <ethics.policy@lacity .org>

# Lobbying in the form of preparing EIRs

1 message

Frances Offenhauser [REDACTED]  
To: ethics.policy@lacity.org

Sat, Jul 29, 2017 at 7:47 PM

Is it possible for the Ethics Commission to get involved in stemming the tide of major lobbying of City Planning and Council Offices-- in the form of preparing EIR's and preparing case verbiage in electronic form for City Planners?

My understanding is that Environmental Impact Reports may be prepared by consultants paid and directed by developers, even though these documents ostensibly are the product of the City.

Project applicants also provide City Planning with electronic media or prewritten decisions to ease the work of staffers. When a decision on a complex issue is reached within a day and a determination made-- because lawyers or others have provided the text-- this appears to me to be influencing policy-- not simply providing background and facts.

Frances Offenhauser

[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]

Authentic California Architecture

[REDACTED]



Virus-free. [www.avast.com](http://www.avast.com)



Ethics Policy <ethics.policy@lacity .org>

**\$1,438,721 = Total Harvard-Westlake Lobbying activities thru Q2 2017 + Political Contributions to Krekorian's campaigns via lobbyists \$103,138**

1 message

Sat, Aug 5, 2017 at 8:30 PM

To: ethics.policy@lacity.org

Payments to Lobbyists by Client Harvard-Westlake

\$1,043,010**	2015 thru 2003
\$269,902	2016
\$125.809	2017 thru Q2

**\$1,438,721 Total Harvard-Westlake Lobbying**

But on page 4 (numbered 3) of the school's 990 from 2012, that is attached, the school wrote NO when asked, "Did the organization engage in lobbying activities?"

**4 Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II

4	No
---	----

How is that possible? It's wrong. Harvard-Westlake ought to amend its 990 tax filings appropriately, checking the correct (and honest) box that indicates that they have indeed been engaged in lobbying. The 501c3 is reaps huge tax benefits and uses the savings to ply our local leaders re: a Development Project, Issues dealing with drilling, City entitlements.

The Mayor is an alum of the School and will not deny raising money through its alumni group. Councilmember Krekorian has taken numerous Trustee contributions, as have other council members, the controller and the city attorney.

So, if the lobbyists are being compensated for their consulting, fine. Shouldn't we simply excise the permission for them to bundle and carry in campaign donations? Isn't it unseemly and inappropriate? What is the public interest in that?

And how can Edgar Khalatian, a very active lobbyist with business before the city, be appointed by the Mayor and Planning to serve on the RecodeLA Zoning Advisory Committee (ZAC) as a stakeholder?  
<https://recode.la/updates/news/reedgar-khalatian>

This is contorted logic similar to the mayor's installation of former CAO, Miguel Santana, as the chair of the civilian oversight committee for Prop HHH

+

[Print Friendly] | [Excel]

Quarter▲▼	Firm▲▼	Client▲▼	Projects/Agencies Lobbied	Amount▲▼
<a href="#">Q1 2017</a>	<b>Ek, Sunkin, Klink &amp; Bai</b>	<b>Harvard Westlake School</b> Studio City, CA 91604	Issues dealing with drilling in the City of Los Angeles/City Council (City Council, Planning, City.)	\$15,000.00

https://mail.google.com/mail/b/AAyagpWCKDISPvydgxzbB0QffAvPwMYOFsnLpmCrtYsF8QAQjOoW/u/0/?ui=2&ik=d1f2b880be&jsver=EaIL6uzdl9M.... 1/10

<a href="#">Q2 2017</a>	<b>Ek, Sunkin, Klink &amp; Bai</b>	<b>Harvard Westlake School</b> Studio City, CA 91604	Issues dealing with drilling in the City of Los Angeles/City Council (Mayor, Office of, City Council, Planning, City.)	\$10,000.00
<a href="#">Q1 2017</a>	<b>Mayer Brown LLP</b>	<b>Harvard-Westlake School</b> North Hollywood, CA 91604	Assist client with City entitlements. (City Council, Building and Safety, Planning, City, Public Works, Board of, Public Works, Contract Administration, Public Works, Engineering, Public Works, Sanitation, Public Works, Street Lighting, Public Works, Street Services.)	\$45,859.00
<a href="#">Q2 2017</a>	<b>Mayer Brown LLP</b>	<b>Harvard-Westlake School</b> North Hollywood, CA 91604	Assist client with City entitlements. (City Council, Building and Safety, Planning, City, Public Works, Board of, Public Works, Contract Administration, Public Works, Engineering, Public Works, Sanitation, Public Works, Street Lighting, Public Works, Street Services.)	\$54,950.02
Total Payments Received from Clients :				\$125,809.02

+

<b>Quarter</b>	<b>Firm</b>	<b>Client</b>	<b>Projects/Agencies Lobbied</b>	<b>Amount</b>
<a href="#">Q1 2016</a>	<b>Ek &amp; Sunkin</b>	<b>Harvard Westlake School</b> Studio City, CA 91604	Issues dealing with drilling in the City of Los Angeles/City Council (City Council.)	\$15,000.00
<a href="#">Q2 2016</a>	<b>Ek &amp; Sunkin</b>	<b>Harvard Westlake School</b> Studio City, CA 91604	Issues dealing with drilling in the City of Los Angeles/City Council (City Council, Planning, City.)	\$25,000.00
<a href="#">Q3 2016</a>	<b>Ek &amp; Sunkin</b>	<b>Harvard Westlake School</b> Studio City, CA 91604	Issues dealing with drilling in the City of Los Angeles/City Council (City Council, Planning, City.)	\$5,000.00
<a href="#">Q4 2016</a>	<b>Ek &amp; Sunkin</b>	<b>Harvard Westlake School</b> Studio City, CA 91604	Issues dealing with drilling in the City of Los Angeles/City Council (City Council, Planning, City.)	\$20,000.00
<a href="#">Q1 2016</a>	<b>Mayer Brown LLP</b>	<b>Harvard-Westlake School</b> North Hollywood, CA 91604	Assist client with City entitlements. (City Council, Planning, City.)	\$18,195.50
<a href="#">Q2 2016</a>	<b>Mayer Brown LLP</b>	<b>Harvard-Westlake School</b>	Assist client with City entitlements. (City Council, Planning, City.)	\$22,402.66

		North Hollywood, CA 91604		
<a href="#">Q3 2016</a>	<b>Mayer Brown LLP</b>	<b>Harvard- Westlake School</b> North Hollywood, CA 91604	Assist client with City entitlements.  (City Council, Building and Safety, Planning, City, Public Works, Board of, Public Works, Contract Administration, Public Works, Engineering, Public Works, Sanitation, Public Works, Street Lighting, Public Works, Street Services.)	\$85,034.01
<a href="#">Q4 2016</a>	<b>Mayer Brown LLP</b>	<b>Harvard- Westlake School</b> North Hollywood, CA 91604	Assist client with City entitlements.  (City Council, Building and Safety, Planning, City, Public Works, Board of, Public Works, Contract Administration, Public Works, Engineering, Public Works, Sanitation, Public Works, Street Lighting, Public Works, Street Services.)	\$79,270.71
Total Payments Received from Clients :				\$269,902.88

[Print Friendly | Excel]

-----Original Message-----

From: [REDACTED] >  
 Sent: Mon, Feb 8, 2016 1:40 pm  
 Subject: Fwd: 1) Total Harvard-Westlake Lobbyist activity \$1,043,010\*\* -- Total Political Contributions to Krekorian via lobbyists \$103,138

If you click on 08/26/15 agenda **item 8** on **non-individual contributors** has the names of the Trustees via 990 and donations... (also of note below, the major influence HW expressed via Lobbyists)

Year: [[<<](#) 2015 [>>](#)]

Date	Description	Location/T ime	Agenda	Audio	Minutes
04/21/15	Regular Meeting	City Hall Room 1020 01:30 PM			
06/09/15	Regular Meeting	City Hall Room 1060 09:30 AM			
08/26/15	Special Meeting	City Hall Room 1060 09:30 AM			
10/21/15	Special Meeting	City Hall Room 1060 09:30 AM			

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For information or copies of any other past Commission agendas or minutes, contact us at [ethics.commission@lacity.org](mailto:ethics.commission@lacity.org) or at (213) 978-1960.

-----Original Message-----

From: Eric Preven [REDACTED]  
 Sent: Thu, Dec 31, 2015 12:02 pm  
 Subject: Fwd: 1) Total Harvard-Westlake Lobbyist activity \$1,043,010\*\* -- Total Political Contributions to

Krekorian via lobbyists \$103,138

\$102,901.89 Paid by Harvard Westlake to Lobbyists during 2015 Q1, 2, 3

<a href="#">Q2 2015</a>	<b>Mayer Brown LLP</b>	<b>Harvard-Westlake School</b> North Hollywood, CA 91604	Development Project/Harvard-Westlake.	<b>Reported by Firm:</b> City Council (incl. Districts and Committees) Planning, City  <b>Reported by Lobbyist(s):</b> City Council (incl. Districts and Committees) Planning, City	\$53,235.00
<a href="#">Q3 2015</a>	<b>Mayer Brown LLP</b>	<b>Harvard-Westlake School</b> North Hollywood, CA 91604	Development Project/Harvard-Westlake.	<b>Reported by Firm:</b> City Council (incl. Districts and Committees) Planning, City  <b>Reported by Lobbyist(s):</b> City Council (incl. Districts and Committees) Planning, City	\$27,925.32
<a href="#">Q3 2015</a>	<b>Ek &amp; Sunkin</b>	<b>Harvard Westlake School</b> Studio City, CA 91604	Issues dealing with drilling in the City of Los Angeles/City Council	<b>Reported by Firm:</b> City Council (incl. Districts and Committees)  <b>Reported by Lobbyist(s):</b> City Council (incl. Districts and Committees)	\$15,000.00
<a href="#">Q1 2015</a>	<b>Mayer Brown LLP</b>	<b>Harvard-Westlake School</b> North Hollywood, CA 91604	Development Project/Harvard-Westlake.	<b>Reported by Firm:</b> City Council (incl. Districts and Committees) Planning, City  <b>Reported by Lobbyist(s):</b> City Council (incl. Districts and Committees) Planning, City	\$6,741.54

-----Original Message-----

From: Eric Preven [REDACTED]

Sent: Sat, Jan 17, 2015 12:26 am

Subject: 1) Total Harvard-Westlake Lobbyist activity \$940,109 -- Total Political Contributions to Krekorian via lobbyists \$60,222

fyi

HARVARD-WESTLAKE -- LOBBYING ACTIVITY BY YEAR AND LOBBYIST

\$940,109 Total to date HW Lobbying over the years!

\$39,776 2014 Paul Hastings LLP Dev. Project Q 1  
 \$25,000 2014 Ek & Sunkin Q 2  
 \$18,850 2014 Mayor Brown LLP Q2, 3  
 \$14,241 2014 Advocacy Q1, 2, 3

\$326,734 2013 Paul Hastings LLP Dev. Project  
 \$100,944 2013 Greer Dailey **Notably \$426,000 Lobbying in 2013!**

\$63,015 2012 Craig Lawson & Co. LLC  
 \$88,865 2012 Paul Hastings LLP

\$25,425 2011 Paul Hastings LLP  
 \$39,990 2011 Craig Lawson & Co. LLC

\$23,692 2010 Craig Lawson & Co. LLC

\$5,854 2009 Craig Lawson & Co. LLC

\$18,634 2008 Craig Lawson & Co. LLC

\$7,242 2006 Latham & Watkins LLP

\$62,412 2005 Latham & Watkins LLP

\$69,530 2004 Latham & Watkins LLP / Cerrell Assoc Inc.

\$9,905 2003 Latham & Watkins LLP

#end

[EXTRA read all about it // a smattering of Political Contributions to Krekorian's campaigns via lobbyists \\$103,138](#)

**\$103,138.03 = Lobbyist Fundraising**  
 Krekorian For City Council 2009/Officeholder  
 & Krekorian For City Council 2015 (2012 - present)

<a href="#">Q3 2015</a>	09/29/15	<b>Englander Knabe and Allen</b>	Delivered for... Porush, Janet	Krekorian, Paul	Krekorian for City Council 2009 (1318897)	\$700.00
<a href="#">Q3 2015</a>	09/29/15	<b>Englander Knabe and Allen/Allen, Marcus</b>	Delivered for... Porush, Janet	Krekorian, Paul	Krekorian for City Council 2009 Officeholder (1318897)	\$700.00
<a href="#">Q3 2015</a>	09/18/15	<b>Kindel Gagan</b>	Delivered for... Chef Robert Catering	Krekorian, Paul	Krekorian for City Council 2009 Officeholder (1318897)	\$700.00
<a href="#">Q3 2015</a>	09/18/15	<b>Kindel Gagan</b>	Delivered for... Keyes Automotive	Krekorian, Paul	Krekorian for City Council 2009 Officeholder (1318897)	\$700.00
<a href="#">Q3 2015</a>	09/18/15	<b>Kindel Gagan</b>	Delivered for... DWP Management	Krekorian, Paul	Krekorian for City Council 2009 Officeholder (1318897)	\$700.00

<https://mail.google.com/mail/b/AAyagpWCKDISPvydgxzbB0QffAvPwMYOfSnLpmCrtYsf8QAQjOoW/u/0/?ui=2&ik=d1f2b880be&jsver=EalL6uzdl9M....> 5/10

			Employees Assoc			
--	--	--	--------------------	--	--	--

Contributions made 2015 Q2  
 \$700 Southern California Edison Krekorian For City Council 2009 Officeholder

FUNDRAISERS 2015 Q1  
 \$2,850 Firm: Englander Knabe & Allen Krekorian For City Council 2015  
 \$8,000 Central City Assoc of LA Krekorian For City Council 2015  
 \$500 Lobbyist: Eric Rose Krekorian For City Council 2015  
 \$700 Lobbyist: Harvey A Englander Krekorian For City Council 2015  
 \$2,350 Firm: Arnie Berghoff & Assoc. Krekorian For City Council 2015  
 \$2,350 Lobbyist: Arnie S. Berghoff Krekorian For City Council 2015  
 \$2,350 Lobbyist: Wendy Bruget Krekorian For City Council 2015  
 \$2,350 Lobbyist: Kathy Irish Krekorian For City Council 2015  
 \$1,400 Lobbyist: Marcus Allen Krekorian For City Council 2015  
 \$250 Lobbyist: Celine Cordero Krekorian For City Council 2015

Lobbyist-Related Political Contributions:

<a href="#">Q1 2015</a>	02/13/15	<b>Kindel Gagan</b>	Delivered for... Dart Container	Krekorian, Paul	Krekorian For City Council 2015 (1372814)	\$700.00
<a href="#">Q1 2015</a>	02/10/15	<b>Kindel Gagan</b>	Delivered for... Chef Robert Catering	Krekorian, Paul	Krekorian For City Council 2015 (1372814)	\$700.00
<a href="#">Q1 2015</a>	02/11/15	<b>Kindel Gagan</b>	Delivered for... Keyes Automotive	Krekorian, Paul	Krekorian For City Council 2015 (1372814)	\$700.00
<a href="#">Q1 2015</a>	03/02/15	<b>Kindel Gagan</b>	Delivered for... Brandes, Bryan	Krekorian, Paul	Krekorian For City Council 2015 (1372814)	\$500.00
<a href="#">Q1 2015</a>	02/07/15	<b>Kindel Gagan</b>	Delivered for... United Airlines	Krekorian, Paul	Krekorian For City Council 2015 (1372814)	\$700.00
<a href="#">Q1 2015</a>	02/15/15	<b>Kindel Gagan</b>	Delivered for... Solar City	Krekorian, Paul	Krekorian For City Council 2015 (1372814)	\$700.00
<a href="#">Q1 2015</a>	02/09/15	<b>Ken Spiker And Assoc Inc</b>	Delivered for... Los Angeles Parking Association	Krekorian, Paul	Krekorian For City Council 2015 (1372814)	\$700.00
<a href="#">Q1 2015</a>	02/09/15	<b>Ken Spiker And Assoc Inc</b>	Delivered for... Retired Los Angeles City Employees, Inc.	Krekorian, Paul	Krekorian For City Council 2015 (1372814)	\$700.00
<a href="#">Q1 2015</a>	02/09/15	<b>Ken Spiker And Assoc Inc/Spiker, Gregory</b>	Delivered for... Los Angeles Parking Association	Krekorian, Paul	Krekorian For City Council	\$700.00

					2015 (1372814)	
<a href="#">Q1 2015</a>	02/09/15	<b>Ken Spiker And Assoc Inc/Spiker, Gregory</b>	Delivered for... Retired Los Angeles City Employees, Inc.	Krekorian, Paul	Krekorian For City Council 2015 (1372814)	\$700.00
<a href="#">Q1 2015</a>	02/26/15	<b>Englander Knabe and Allen</b>	Delivered for... Black, Donna	Krekorian, Paul	Krekorian For City Council 2015 (1372814)	\$700.00
<a href="#">Q1 2015</a>	02/26/15	<b>Englander Knabe and Allen</b>	Delivered for... Porush, Janet	Krekorian, Paul	Krekorian For City Council 2015 (1372814)	\$700.00
<a href="#">Q1 2015</a>	02/26/15	<b>Building Owners &amp; Managers Assn</b>	Delivered for... BOMA/GLA Political Action Committee	Krekorian, Paul	Krekorian For City Council 2015 (1372814)	\$500.00
<a href="#">Q1 2015</a>	02/19/15	<b>Apartment Association of Greater L.A.</b>		Krekorian, Paul	Krekorian For City Council 2015 (1372814)	\$700.00

FUNDRAISERS 2014 Q4

\$1,000 Lobbyist: Courtney Chesla Torres Krekorian for City Council 2009 Officeholder account  
 \$5,000 Lobbyist: Jimmy Blackman Krekorian for City Council 2009 Officeholder account  
 \$5,000 Lobbyist: Urban Solutions, LLC Krekorian for City Council 2009 Officeholder account  
 \$500 Firm: Afriat Consulting Group, Inc. Krekorian for City Council 2009 Officeholder account  
 \$5,816 Firm: Afriat Consulting Group, Inc. Krekorian for City Council 2015  
 \$500 Firm: Englander Knabe & Allen Krekorian for City Council 2009  
 Officeholder account  
 \$500 Lobbyist : Marcus A Allen Krekorian for City Council 2009  
 Officeholder account

Delivered Contributions 2014 Q4

\$500 Firm: Englander Knabe & Allen Krekorian for City Council 2009 Officeholder account  
 \$500 Firm: Apart. Assoc. of Greater LA Krekorian for City Council 2009 Officeholder account  
 \$500 Lobbyist: Marcus A Allen Krekorian for City Council 2009 Officeholder account

FUNDRAISERS 2014 Q3 page12image43608

\$1500 Firm: The Santa Maria group Krekorian for City Council 2009 Officeholder account  
 \$2500 Firm: M Advisors Krekorian for City Council 2009 Officeholder account  
 \$2500 Firm: Sage Strategies Krekorian for City Council 2009 Officeholder account  
 \$2500 Firm: Arnie Berghoff Krekorian for City Council 2009 Officeholder account  
 \$2500 Lobbyist: Arnie Berghoff Krekorian for City Council 2009 Officeholder account  
 \$2500 Lobbyist: Wendy Bruget Krekorian for City Council 2009 Officeholder account  
 \$2500 Lobbyist: Kathy Jones Irish Krekorian for City Council 2009 Officeholder account  
 page9image1776

FUNDRAISERS 2014 Q2

\$3000 Firm: Veronica Perez and Assoc. Krekorian for City Council 2009 Officeholder account  
 \$2000 Firm: Englander Knabe & Allen Krekorian for City Council 2009 Officeholder account

\$500 Lobbyist: Harvey A Englander Krekorian for City Council 2009 Officeholder account

\$500 Q2 2014 Delivered for Erika McConnell Krekorian for City Council 2009 Officeholder  
\$500 Q2 2014 Delivered for Marci Rose Krekorian for City Council 2009 Officeholder  
\$500 Q2 2014 Delivered for Donna Black Krekorian for City Council 2009 Officeholder  
\$1500 Q2 2014 Firm: Englander Knabe & Allen Krekorian for City Council 2009 Officeholder  
\$500 Q2 2014 Jeff Mconnell for Erika McConnell Krekorian for City Council 2009 Officeholder  
\$500 Q2 2014 Eric Rose for Marci Rose Krekorian for City Council 2009 Officeholder  
\$500 Q2 2014 Harvey Englander for Donna Black Krekorian for City Council 2009 Officeholder  
\$500 Q2 2014 Kindel Gagan for Keyes Toyota Krekorian for City Council 2009 Officeholder  
\$500 Q2 2014 Kindel Gagan for Ingrid Flintoft Krekorian for City Council 2009 Officeholder  
\$500 Q2 2014 Kindel Gagan for Mgmt Emp. Assoc. Krekorian for City Council 2009 Officeholder

FUNDRAISERS 2013 Q2

\$500 Q2 2013 Firm: Arnie Berghoff & Assoc. Krekorian for City Council 2009 Officeholder  
\$500 Q2 2013 Lobbyist: Arnie Berghoff Krekorian for City Council 2009 Officeholder  
\$500 Q2 2013 Lobbyist: Wendy Bruget Krekorian for City Council 2009 Officeholder  
\$500 Q2 2013 Lobbyist: Kathy Irish Krekorian for City Council 2009 Officeholder

\$500 Q2 2013 Ken Spiker for LA Parking Assoc. Krekorian for City Council 2009 Officeholder  
\$500 Q2 2013 Ken Spiker for RLACEI Inc. Krekorian for City Council 2009 Officeholder  
\$500 Q2 2013 Ken Spiker for LAMAR companies Krekorian for City Council 2009 Officeholder  
\$500 Q2 2013 Ken Spiker for LAMAR companies Krekorian for City Council 2009 Officeholder  
\$500 Q2 2013 Greg Spiker for LAMAR companies Krekorian for City Council 2009 Officeholder  
\$500 Q2 2013 Ken Spiker for LA Parking Assoc. Krekorian for City Council 2009 Officeholder  
\$500 Q2 2013 Ken Spiker for Melissa Cotran Krekorian for City Council 2009 Officeholder  
\$500 Q2 2013 Kindel Gagan for Mgmt Emp. Assoc. Krekorian for City Council 2009 Officeholder  
\$500 Q2 2013 Kindel Gagan for Keyes Toyota Krekorian for City Council 2009 Officeholder  
\$500 Q2 2013 Greg Spiker for for RLACEI Inc. Krekorian for City Council 2009 Officeholder  
\$500 Q2 2013 Afriat Inc. Friends of Krekorian (991477)

\$500 Q4 2012 Afriat Inc. for Curtis Sanchez Krekorian for City Council 2009 Officeholder

\$500 Q1 2012 Kindel Gagan for Chef Robert Catering Krekorian for City Council 2009 Officeholder  
\$500 Q1 2012 Holland Knight/CA Comm. Effective Gov. Krekorian for City Council 2009 Officeholder  
\$422 Q1 2012 Holland Knight/CA Comm. Effective Gov. Krekorian for City Council 2009 Officeholder  
\$500 Q1 2012 Urban Solutions LLC for Clearchannel Krekorian for City Council 2009 Officeholder  
\$500 Q1 2012 Urban Solutions LLC/Bonnie Goldman Krekorian for City Council 2009 Officeholder

Total Political Contributions -- \$60,222.63

Independent Expenditures & Communications from *Election: 03/08/11* : <http://bit.ly/13Sd0hO>

Grand Total Supporting Paul Krekorian: \$105,163

LA Jobs PAC

Sponsored by the Los Angeles Area Chamber of Commerce -- EKA, Afriat -- [ AEG - 25K, AT&T - 5k, Forest Lawn - 7.5k, Raytheon - 5k, Thomas Properties - 25k, Xerox , Baxter Bioscience, Bergelectric Corp, Cal. Apt. Assoc , City Nat'l Bank ]

[http://ethics.lacity.org/pdf/ind\\_exp\\_campaign\\_ads/LAJobsPAC%5FBillboard%5FKrekorian%5F2%2E28%2E11%2D31%2Epdf](http://ethics.lacity.org/pdf/ind_exp_campaign_ads/LAJobsPAC%5FBillboard%5FKrekorian%5F2%2E28%2E11%2D31%2Epdf)

Laborers Local 300 Small Contributor Committee

Lamar Advertising of Los Angeles [\$3000]

Los Angeles County Democratic Party - State Issues & Advocacy Committee [\$35,000] (Membership Communication)

Service Employees International Union Local 721 CTW, CLC State & Local

United Firefighters Of Los Angeles City Local Union #112

Grand Total Opposing Paul Krekorian : \$110,563  
Local 18 Water and Power Defense League (IBEW)  
International Brotherhood of Electrical Workers Local 11 PAC

Among Wright's larger contributors were Californians Real Estate P AC, \$25,000; Californians for Jobs and a Strong Economy, \$10,000; California Apartments Association' s PAC

Rick Commons, John Amato, bearded Harvard-Westlake rep, lobbyists, Edgar Khalatian and Howard Sunkin at a Studio City Neighborhood Council.



July 6, 2017 -- [Coldwater Canyon Parking Project: Not Every Harvard-Westlake Parent is On Board](#)

June 12, 2017 [Tony Winning Ben Platt Provides Some Positive Headlines for LA's Westlake High](#)

May 25, 2017 -- [High End Harvard-Westlake School Stuck in 'Park'](#)

March 7, 2016 - Paul Krekorian and the [Harvard-Westlake Project Headed for a Buzz Saw](#)

February 25, 2016 - Hey Reporters! How about a Few Questions Please on the [Harvard-Westlake Scam?](#)

December 14, 2015 - Harvard-Westlake School Pays to Play ... Stokes [Resentment in Coldwater Canyon](#)

February 15, 2015 - Krekorian Coldwater [Emails](#)

January 1, 2015 - [New Year's Greetings from CD2ville](#)

FOLLOW UP:

Mitch O'Farrell of CD13 has refused to return the \$3000 in excess Maciborski LLC contributions.

<http://www.citywatchla.com/index.php/los-angeles/13248-oh-oh-councilman-o-farrell-should-return-illegal-campaign-contribution>

Please urge him to return them, forthwith. [jeanne.min@lacity.org](mailto:jeanne.min@lacity.org)

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3 attachments



HW dream team.jpg  
672K

 EKA\_-\_Krekorian\_Billboard.pdf  
118K

 95-1644019\_990\_201306.pdf  
1625K



Ethics Policy <ethics.policy@lacity.org>

Re: Draft Lobbying Ordinance

1 message

[Redacted]

Sat, Aug 5, 2017 at 6:17 PM

To: Ethics Policy <ethics.policy@lacity.org>

Hi CEC,

This is excellent work, thanks. I have one small addition I'd like to see. In your proposed 48.07(C)(5)(d) I'd like to see the former City employee's last rank or ranks in addition to their last date of service. This is necessary for checking Revolving Door compliance and, I can tell you from experience, is not always easy information to get out of the City itself.

Thanks again for putting all this together, fingers crossed!

Adrian Riskin

On Sat, Aug 5, 2017, at 05:58 PM, Ethics Policy wrote:

> To view your newsletter go to

> [Redacted]



Ethics Policy <ethics.policy@lacity .org>

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## For your consideration, # 4, might want to add the following

1 message

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[REDACTED]

Sun, Aug 6, 2017 at 5:19 AM

To: ethics.policy@lacity.org

Hello there,  
Thanks for sending me the draft of the proposed changes.  
You might want to consider changing #4 to "Playing any role in negotiating" and adding "request for proposal" into any sentence that includes "contract"  
Thanks  
Art Mattox



Ethics Policy <ethics.policy@lacity .org>

## Comments on Municipal Lobbying Ordinance

1 message

Hormozi, John [REDACTED]  
To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Mon, Aug 7, 2017 at 10:43 AM

As the proposed ordinance purports to extend to lobbying efforts directed at elected members of Neighborhood Councils, Section 48.08 ("Disclosure") should include reporting requirements of lobbying entities with regard to Contributions, Fundraising, and Direct Contact with such members just as they do with City employees and City officials. This is particularly appropriate since the Neighborhood Councils have influence over City matters and since the members of such Councils are not included in the definitions of City official or City employee under Section 48.02 ("Definitions").

In Section 48.02 ("Definitions"), Part F. ("Client"), please consider revising the phrase "\$250 in compensation" to read "an aggregate of at least \$250 in compensation within a calendar year", or some such wording, to remove ambiguity.

Thank you for this further opportunity to comment on the draft ordinance.

-----Confidentiality Notice-----

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Ethics Policy &lt;ethics.policy@lacity .org&gt;

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## Municipal Lobbying Ordinance Review

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Thu, Aug 10, 2017 at 12:31 PM

[REDACTED]  
To: ethics.policy@lacity.org

My name is Curtis Sanchez and I am employed by the Afriat Consulting Group, Inc, a registered lobbying firm. While I am NOT a registered lobbyist, I am responsible for the gathering of information to file our firm's quarterly reports. I have recently had the opportunity to review the proposed changes to the lobbying ordinance and the following are my comments:

1. Switching to a 2-month reporting period instead of the current quarterly reporting requirement would be an extreme hardship to most lobbying firms. It takes several days to prepare a firm's quarterly report. More frequent reporting won't assist with additional transparency. I would imagine this would also increase the need for city resources to manage extra reporting periods which would also be a strain on the city's budget.
2. On the current quarterly reporting requirements, lobbying firms already need to disclose the City departments that are lobbied on any given quarter. Adding the requirement that lobbying firms include disclosure of EVERY contact made with a City official (including listing their name, department, etc.) would be an undue hardship to the lobbying firm. This also provides an unfair advantage to large companies that might NOT be using lobbyist(s) and/or lobbying firm. (They would be able to contact City officials as many times as they like without providing any disclosure.)
3. Changing the filing deadline date for quarterly reports from a 1 month period to a 10 day period is virtually impossible for most firms to comply with. As an accounting staff member that assists in the preparation of our firm's quarterly reports, it sometimes takes up to 10 days to gather the information on payments received from clients. (Prior accounting periods need to be closed and/or finalized, etc.) Instituting a 10 day filing requirement for quarterly reports will probably result in erroneous information being filed in order to make the 10 day deadline. Most lobbying firms will then probably need to file amended reports during the few weeks after the deadline to make sure the reporting is accurate.
4. The proposed ordinance states that a lobbying firm must report the gifts or financial benefit provided to a city official from a lobbyist and/or their CLIENT. A client might not always disclose to their lobbyist any gifts or financial benefit they or their employees might provide to a city official or a city employee. Also, how would the public know of any gift or financial benefit provided by a developer or other entity wishing to do business with or influence the City in which a lobbyist or lobbying firm isn't being used. Again, this would provide an unfair advantage to companies not using a lobbyist or lobbying firm.
5. In order to provide true reform to the City Ethics ordinance on lobbying, a provision should be made to prohibit elected officials, or those running for elective office, to contact registered lobbyists and lobbying firms to request fundraising assistance (i.e. small fundraising events, bundling of contributions from clients, etc.).

I appreciate the opportunity to provide my comments regarding the proposed lobbying ordinance change. Please contact me at [REDACTED] with any questions.

Best regards,  
Curtis Sanchez



Ethics Policy &lt;ethics.policy@lacity .org&gt;

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## Regarding the Los Angeles Municipal Lobbying Ordinance

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Shyaam Subramanian [REDACTED]  
 To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>  
 Cc: Nona Randois [REDACTED]

Fri, Aug 11, 2017 at 2:33 PM

Thank you for the opportunity to comment. We appreciate that City Ethics Commission staff met with advocates in the nonprofit community to hear comments and concerns regarding the Los Angeles Municipal Lobbying Ordinance (MLO), and for staff's thoughtful consideration of the MLO's effect on the nonprofit community in the City of Los Angeles.

We understand and share the City Ethics Commission's interest in meaningful lobbying disclosure. However, even if the Commission is unable to recommend a blanket 501(c)(3) exemption, we believe staff's proposed 501(c)(3) exemption does not strike the right balance between the burden of regulation and the benefit of disclosure, for several reasons:

- **Proposals for "indirect lobbyists" impose increased burdens on the nonprofit community.** While staff proposes to raise the registration threshold for a lobbyist to \$5,000 per calendar year, staff proposes to *lower* the threshold for an "indirect lobbyist" (currently a "major filer") to \$5,000 per calendar year from \$5,000 per calendar quarter. Staff also proposes to require indirect lobbyists to register and pay a \$450 fee, which is currently not required for major filers. This is in addition to proposals to require more frequent lobbying reports, for every two-month period. This would especially burden smaller nonprofits who may only be informing underrepresented community members about pending City matters and asking them to convey their concerns or support. 501(c)(3) organizations may be required to pay the registration fee, maintain recordkeeping systems, and report regularly even if they never communicate with a City official. Given that the activities of a lobbyist and an indirect lobbyist may be different, they are not similarly situated and should not be treated the same. Coupled with the broad definitions of "attempting to influence a City matter", and other compliance obligations nonprofits have, these proposals would unreasonably stretch the limited resources of 501(c)(3)s advocating in the City.
- **Maintaining the requirement for a 501(c)(3) to receive "government funding" reduces the value of the exemption and differs from previous versions of the recommendation.** The requirement for a 501(c)(3) to receive government funding to be exempt was not present in earlier staff recommendations. At a time when government funding is being reduced, this means the exemption is also too limited to meaningfully alleviate the burdens of compliance.
- **The proposed 501(c)(3) exemption is unnecessarily complex.** The last two sentences in the proposed exemption provide that, "This exemption applies to the organization's employees engaged in the same activity. This exemption does not apply to other action by the organization and its employees, including but not limited to seeking City funding." Even read with the rest of the exemption language, it's unclear what "the same activity" refers to and would create confusion for 501(c)(3)s trying to determine if they are exempt. While we appreciate staff's offer to assist organizations with compliance, unfortunately we

<https://mail.google.com/mail/b/AAyagpWCKDISPvydgxzbB0QffAvPWWYOFsnLpmCrYsF8QAQjOoW/u/0/?ui=2&ik=d1f2b880be&jsver=EalL6uzdl9M.e...> 1/3

believe it is unrealistic to expect that tens of thousands of 501(c)(3)s advocating in the City will (or know to) call the City Ethics Commission staff for every lobbying question or to confirm they are exempt. It is also unrealistic to expect that these organizations will be able to afford to hire an attorney to help them answer this question. Also, while staff can assist organizations with MLO compliance, the compliance burden is also establishing recordkeeping systems that *also* allow 501(c)(3)s to meet their other obligations, such as IRS lobbying or grant reporting.

Therefore, we recommend that in addition to the proposed exemption, the Commission consider:

- **An exemption for smaller 501(c)(3)s, as measured by budget size.** This would alleviate the burdens of recordkeeping, reporting, and registering imposed by the MLO, and offers additional clarity for 501(c)(3)s to know if they are exempt.
- **Not changing the reporting threshold for, or imposing a requirement to register on, “indirect lobbyists” (currently “major filers”).** We do not believe the standards for an “indirect lobbyist” ought to be aligned with the standards for a lobbyist, lobbying firm, or lobbyist employer because they may be engaged in different types of activities.

Additionally, we recommend the following changes to the proposed 501(c)(3) exemption:

- Removing the requirement for a 501(c)(3) to receive “government funding” to qualify for the 501(c)(3) exemption. This was not included in previous staff proposals, and is unnecessarily restrictive.
- Clarify 501(c)(3) exemption by changing last sentence to read “The exemption would not apply when an organization is seeking funding, property , or a permit from the City on its own behalf.”

Finally, we feel that there are significant changes from past staff proposals and many ideas presented today for the first time. The timeframe and content of this discussion differ from what has been shared with the public over the last year. Therefore, we feel it is premature to vote on the proposed language at this time.

Sincerely,

Shyaam Subramanian  
Southern California Counsel  
Alliance for Justice



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Ethics Policy <ethics.policy@lacity .org>

## Support of T ransparency in City Ethics

1 message

[Redacted]

Fri, Aug 11, 2017 at 12:01 PM

To: Ethics.policy@lacity.org

Hello David Tristan,

I support the improved regulation of lobbyists by the Los Angeles City Ethics Commission and increased transparency on who is influencing our City Council members and departments.

Brigette

Brigette Kidd  
Treasure & City of Los Angeles Neighborhood Budget Advocate

Zapata-King Neighborhood Council



[Connect with us on Facebook!](#)

"T ell me and I forget, teach me and I may remember , involve me and I learn" – Benjamin Franklin



Ethics Policy <ethics.policy@lacity .org>

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## Regulation of Lobbyists

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Candice Holman [REDACTED]  
To: Ethics.policy@lacity.org

Fri, Aug 11, 2017 at 10:59 AM

Hello,

I support the improved regulation of lobbyists by the Los Angeles City Ethics Commission and increased transparency on who is influencing our City Councilmembers and departments.

Thanks,

Candice L. Holman

[REDACTED]  
[REDACTED]



Ethics Policy <ethics.policy@lacity .org>

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## Increasing transparency

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Carol Newman [REDACTED]  
To: "Ethics.policy@lacity.org" <Ethics.policy@lacity.org>  
Cc: Board LakeBalboaNC [REDACTED]

Fri, Aug 11, 2017 at 10:37 AM

I am the Secretary of the Lake Balboa Neighborhood Council and a Budget Advocate elected by the neighborhood council budget representatives.

Speaking for myself only and not the Lake Balboa Neighborhood Council or the Budget Advocates, I support the Ethics Commission improving the regulation of lobbyists and increased transparency on who is influencing our City Councilmembers and departments.

Carol L. Newman, Esq.  
[REDACTED]



Ethics Policy &lt;ethics.policy@lacity .org&gt;

## Ethics Commissions' proposed update to the 1994 Municipal Lobbying Ordinance

1 message

Liz Amsden [REDACTED]  
 To: "Ethics.policy@lacity.org" <Ethics.policy@lacity.org>

Sat, Aug 12, 2017 at 10:15 PM

In the Ethics Commission's 'Lobbying Recommendations, it states that '(t)he primary purpose of any lobbying law should be to promote transparency and accountability in government.' As a Budget Advocate, our focus has been on accountability and transparency for City Hall, specifically in regards to the City's budget but also in helping promote ways to adequately safeguard the City's populace from the misuse of power.

Adequate lobbying regulations and enforcement is essential. Superlative regulations and vigorous enforcement would protect our City and its employees, elected officials and residents from exploitation by interests that are not aligned with the common good.

The document also points out that 'Lobbying is not a bad thing' – and, in fact, it often helps educate the electeds on issues about which they have heard from only one side. However, especially because of the latter, Los Angeles' Ethics Commission needs to double down on ensuring compliance.

I recently reviewed the proposal and, while I strongly support the changes, I feel it does not go far enough.

Technology and the influence of lobbyists have changed but the City is operating under rules over 20 years old and the City needs to update and strengthening the regulation of lobbyists and increase transparency of who is influencing our City Councilmembers and departments and what other affiliations these people and organizations have that affect our lives.

Given that lobbyists and those who employ them have both money and muscle to affect decisions as well as the training and experience to understand the ramifications of those decisions in ways that ordinary Angelenos may not, it is essential for the Ethics Commission to take up the mantle voters granted them in 1990 and protect the interests of citizens and residents of the City.

To the extent it may not be already incorporated in this proposal, I would encourage the Commission to readdress the following before the final revisions go to the City Council:

- Expand to include lawyers, advocates, consultants and interest groups;
- Expand to include unpaid elements of our governments such as Neighborhood Councils and Commissions;

<https://mail.google.com/mail/b/AAYagpWCKDISPvydgyzxbB0QffAvPWWYOFsnLpmCrtYsF8QAQjOoW/u/0/?ui=2&ik=d1f2b880be&jsver=EalL6uzdl9M.e...> 1/2

- Expand the 'revolving door' restrictions – one year is time off, not a deterrent;
- Increase fines across the board – \$5,000 is chump change for developers and national industries who actively seek to suppress legislation at the local level so good ideas don't spread – and progressively escalating them for repeated transgressions;
- Actively seek to bankrupt or otherwise shut down the bad eggs – remember, those who will be the subject of investigation and prosecution have broken the law – and making an example of them is the first defense against others emulating them (i.e. NO deals where names are kept out of the news – that is NOT transparency); and
- Target specific conflicts of interest as raised by the public so, for example, lobbyists and consultants are not also those preparing EIRs and other documents required by the City so as to exclude environmental and quality of life concerns.

I have looked at a number of the comments from the industry and the only two that resonate with me are to simplify reporting and concerns about privacy.

However, the Ethics Commissions online reporting provisions if wisely updated should alleviate current complaints about the reporting and, once a person chooses to become a lobbyist, he or she IS no longer acting as a private person – they are being paid to provide a service that affects others in the community, often to the latter's detriment, and their name and contact info (though not their home address and phone number) have to be on record.

Just like those whose opinions they are working to sway.

So what's their beef. If they follow the rules, they will have no problems.

But we the people deserve all the protection you can give us.

Liz Amsden

Highland Park



Ethics Policy <ethics.policy@lacity .org>

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## Lobbyists need to be exposed and contained.

1 message

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Kathy Downing [REDACTED]  
To: Ethics.policy@lacity.org

Sat, Aug 12, 2017 at 8:26 PM

In my opinion, it is high time to have extremely improved regulation of lobbyists by the Los Angeles City Ethics Commission and increased transparency on who is influencing our City Councilmembers and departments.

Citizens United penetrates everywhere, Including into this issue, and is one of the most heinous and vile legislations ever enacted, completely and only and totally in the service of corporate profits. We need laws that support human beings knowing openly what is being done, and laws that regulate both corporations and lobbyists about how they influence, control, corrupt, usurp, contaminate, and destroy human beings and neighborhoods.

It is time to put people I had of profits.

I will be watching my own Council person's vote on this matter.

Kathy Downing

[REDACTED]

--  
[REDACTED]



August 14, 2017

Jessica A. Levinson  
President, Ethics Commission  
200 N. Spring Street  
Los Angeles, CA 90012

**Subject: Lobbying requirements policy update**

Dear President Levinson:

Our coalition of businesses and non-profit organizations is writing to express our concern with the direction of the City Ethics Commission's proposed policy update, released July 2017. We recognize and support the Commission's desire to develop clear and verifiable rules for lobbyists and lobbyist employers to follow—rules that give the city's residents confidence in the honest and transparent operation of their local government. Unfortunately, we do not believe this package of rules achieves that goal.

We are worried that the recommendations contained in this update do not acknowledge many of the practical realities of lobbyist and advocacy work, and we would like to work with the Ethics Commission to provide input. Further, we believe all parties would benefit from clear explanations as to what problem each proposal is designed to solve, and how each change would produce improved outcomes going forward. Compliance is our chief priority, and we hope to ensure that reporting requirements are not changed in ways that create new barriers to achieving that goal.

Below we have outlined some of the most significant concerns raised by the proposed policy update.

Requiring disclosure of job titles and dates of contact for every city official or employee

Currently, lobbyists and lobbyist employers are required to record every issue they lobby during the reporting period, and to list every department or office of the City contacted for each lobbying activity. The proposed policy update would add to these reporting requirements the job titles of every City contact and the date of contact with each individual.

Approaching this from the perspective of the Ethics Commission, it is not clear what problem this proposal is intended to solve. Reporting the issues and departments lobbied during the reporting period already gives the public adequate information to evaluate the activities of lobbyists and lobbyist employers. Requiring job titles and dates of contact would mainly serve to invite minor "gotcha" complaints by legislative and/or political opponents, absorbing City staff time with evaluations of inconsequential complaints rather than investigating valid and substantial ethics violations that may occur.

From the perspective of lobbyists and lobbyist employers, this proposal creates a reporting obligation that is almost impossible to comply with on a consistent basis. It is reasonable for the City to expect lobbyists to know which issues they have lobbied on and which departments and offices they've been in contact with. To be able to track every person that may have briefly entered a meeting, attended a conference call, or been cc'd on an email—then to assign a date and title to each of those individuals, and to do so with perfect fidelity—exceeds reasonable expectations. It opens the door to significant liability on the part of lobbyists and their employers, with no obvious gain to the public's understanding of their local government's activities.

Allowing private citizens to bring lawsuits against alleged violators

As discussed above, the policy update proposes to dramatically increase the complexity and detail of the lobbyist's reporting requirements. At the same time, it would open lobbyists up to much greater legal liability on these very same matters.

If the proposed change went into effect, ethics complaints would transform into a veritable cottage industry of legal challenges to lobbyist reports, most of them focused on job title and date violations that would be unavoidable (in some small but meaningful number) due to the detail and precision required by the new rules. We believe these technical challenges would have no resemblance to what the average person would consider a genuine violation of ethics, yet they would account for an ever-growing share of staff time for lobbyists and for City staff.

Reducing lobbying report filing deadlines from one month to 10 days

Filing lobbyist reports is already a complex and time-consuming process, requiring time for employees to detail their activities and departmental contacts, review with colleagues, and have their records compiled and verified by legal consultants. Even today, 10 days is too little time to complete this work in a diligent and comprehensive manner. In tandem with the other policy changes proposed by the Ethics Commission, it would become all but impossible.

Taken together, these proposals would increase the reporting workload for lobbyists and lobbyist employers by an order of magnitude, reduce the time allotted for compilation and review of reporting documents by nearly 70%, and open the doors to a flood of legal challenges when lobbyists inevitably fail to produce these documents—free of any errors or oversights—in the short time they're granted. This is a recipe for confusion and antagonism that we sincerely hope to avoid.

Going forward, we hope that the Ethics Commission will take these concerns seriously and give them the consideration they are due. The goal of reporting requirements should be accountability and compliance; they should not be punitive or default to an assumption of guilt or wrongdoing. We are confident that the City can achieve a compliance environment where those values can be secured, and if there are specific areas where the Commission feels that we are falling short, we welcome an open discussion about how those issues can be addressed.

Thank you very much for your consideration.



Jessica Lall  
President & CEO  
CCA



Gary Toebben  
President & CEO  
LA Area Chamber of Commerce



Stuart Waldman  
President  
VICA

Cc: Serena Oberstein, Vice President  
Melinda Murray, Commissioner

Araceli Ocampos, Commissioner  
Andrea Sheridan Ordin, Commissioner



Ethics Policy &lt;ethics.policy@lacity.org&gt;

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## Please strengthen the lobbying and transparency law

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Jill Stewart [REDACTED]  
 To: ethics.policy@lacity.org

Mon, Aug 14, 2017 at 2:22 PM

Thank you for asking for public comment. While I see a few flaws, such as possible hardships for volunteer Neighborhood Council members (who should not be subject to the same lobbying laws as City Council members who can order their staffs of 15 to 20 people to monitor their lobbying compliance and do their report for them), I strongly back this attempt to toughen LA's nearly useless lobbying rule.

The Municipal Lobbying Ordinance was created in 1994 with a comprehensive review submitted to the City Council in 2008. IT WAS NOT implemented, and meanwhile the technology and the influence of lobbyists has surged. Leaving the city with 20 year old nearly useless rules.

I know this as a 35-year journalist in Los Angeles, who is now heading a nonprofit advocating for TRANSPARENCY in City Hall and the end of PAY to PLAY between lobbyists/developers/billboard firms and our elected leaders. Please act to clean up this mess.

LA is getting a black eye as a city filled with soft corruption in City Hall.

I am quite sure you are getting hammered with a coordinated comment campaign fueled by Lobbyist, Billboard and Developer money. Please look past the onslaught, at what everyday people are saying to you -- people who do not have the moneyed networks and professional PR influence strategies behind the dozens of anti-reform comments I am quite sure you are receiving.

The people of LA want far more enhanced government transparency and campaign contribution transparency and far stronger regulation of lobbyists. The impact on our communities, if these key reforms are not made, will be terrible:

- Digital billboards allowed in every neighborhood that is unlucky enough to be 1/2 mile or less from a major bus stop. Does that sound crazy? It is.
- developers continuing, despite claimed reforms by Mayor Garcetti, to choose their own consultants to write Environmental Impact Reports. The reforms approved last spring by our highly conflicted City Council are so weak as to be pointless. Only through much tougher lobbying and transparency rules can that be countered.
- Worsening pay to play, now perfectly legal, in which our City Council members meeting in private for MONTHS with developers and real estate interests who have given them campaign funds, then the developer "announces" a new development project. How do I know this? Because I had to submit numerous California Public Record Act requests to City Hall to find out when and with whom Mitch O'Farrell, Gil Cedillo, and the rest of them were meeting with in the months before major development projects were "announced."
- Revolving door ethics problems in which our city officials groom themselves to be hired by the very people they are supposed to be communicating with without any pro-bias or favors given. The revolving door

<https://mail.google.com/mail/b/AAyagpWCKDISPvydgxzbB0QffAvPwMYOFsnLpmCrYsF8QAQjOoW/u/0/?ui=2&ik=d1f2b880be&jsver=EalL6uzdl9M.e...> 1/2

9/27/2017

City of Los Angeles Mail - Please strengthen the lobbying and transparency law

language needs to be STRONGER.

Thank you,  
Jill Stewart

<https://mail.google.com/mail/b/AAYagpWCKDISPvydgxzbB0QffAvPWMYOFsnLpmCrtYsF8QAQjOoW/u/0/?ui=2&ik=d1f2b880be&jsver=EalL6uzdl9M.e...> 2/2



VIA EMAIL ONLY

Mr. Arman Tarzi, Director of Policy,  
Los Angeles City Ethics Commission  
200 North Spring Street  
Los Angeles, CA 90012

August 14, 2017

Re: Amendments to the City of Los Angeles Lobbying Ordinance

Dear Mr. Tarzi:

I am the Vice President for Public Policy for the Building Owners and Managers Greater Los Angeles (BOMA/GLA), a national non-profit trade association representing over 280 commercial office buildings throughout L.A. County. Our mission is to enhance the value of commercial real estate through advocacy, education, and peer networking.

I am writing with regards to the proposed changes to the Lobbying ordinance. BOMA/GLA is a lobbyist employer and has two employees registered as in-house lobbyists covered by its provisions. I have been filing lobbying reports in Los Angeles since 1989.

**Disclosure of dates of contact with officials**

The current ordinance requires disclosure of the departments or council offices with which we meet. By including the dates of each meeting, phone conversation and email, this would entail creating a log of all conversations, which for a small association would become onerous. This level of detail seems significantly beyond what the public needs to be aware of lobbying efforts. Lobbyists such as myself are representing the legitimate interests of their constituents, and disclosure of every conversation is clearly burdensome and intrusive.

**Five Thousand Dollar Threshold for In-House Lobbyist Reporting**

While we understand the importance of creating a level playing field for all lobbyists, we believe that using a dollar threshold for determining reporting requirements is misguided. The ability to influence decision-making occurs in contacts, whether in person, on the phone or by email. It would be possible to receive \$1 million a year to lobby, but if there are no contacts, it's irrelevant. I understand most local jurisdictions use a "contacts" test for in-house lobbyists, and we encourage Los Angeles to do the same.

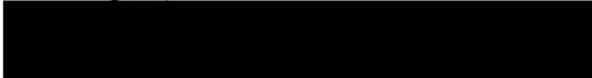
**Private citizen lawsuits against lobbyists**

In a state as litigious as California, offering a 50% reward will certainly encourage frivolous lawsuits. Several years ago, our members were repeatedly sued in "drive-by" frivolous lawsuits over ADA compliance. We worked with the handicap community to change the law to allow time for alterations,

which prevented the gouging by attorneys. Lobbyist disclosure laws have worked well in Los Angeles and a bounty hunter provision will not increase transparency or accountability.

We appreciate the time and effort the Commission and staff has put in to developing the ordinance, and we are looking forward to a balanced law that allows the legitimate concerns of groups to be voiced while increasing the transparency of the lobbying system.

With regards,



Martha Cox-Nitikman

Vice President, Public Policy



August 14, 2017

VIA EMAIL ONLY

Mr. Arman Tarzi  
Los Angeles City Ethics Commission  
200 North Spring St.  
City Hall, 24th Floor  
Los Angeles, CA 90012

RE: Proposed Amendments to Municipal Lobbying Ordinance

Dear Mr. Tarzi:

On behalf of the Los Angeles Lobbyist Association, a trade association of lobbying and public affairs professionals in the Los Angeles area, this letter provides comments to staff's proposed amendments to the Municipal Lobbying Ordinance. The Lobbyist Association fully supports transparent reporting which provides accurate and useful information to the public about City lobbying, but also believes that the Ordinance should not impose unnecessary or burdensome requirements and should apply equally to all of the various interests involved in City matters. We look forward to discussing these issues with the Commission at its August 15, 2017 meeting, and we look forward to working with you and the Commissioners throughout the process of updating the Ordinance.

Preliminary Comments

Lobbying is protected by the First Amendment. We are pleased that the staff report acknowledges "the vital role that lobbying plays in City life," but disappointed that the report does not emphasize that lobbying is actually protected by the First Amendment as part of the right "to petition the government for the redress of grievances." Although courts have upheld reasonable lobbying registration and reporting requirements, the regulation of lobbying must be justified by a legitimate governmental purpose. (See, e.g., U.S. v. Harriss (1954) 347 U.S. 612.) We were also disappointed that staff did not point out the legitimate, legal and important role of lobbyists in either the "Guiding Principles" section of its memorandum or the "Findings" section of the proposed Ordinance. To correct this omission, we suggest adding the following language to the "Findings" section; this language is copied from the City of San Diego's lobbying law (S.D. Muni. Code section 27.4001): **"The City should regulate lobbying activities in a manner that does not discourage or prohibit the exercise of constitutional rights."**

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Mr. Arman Tarzi  
August 14, 2017  
Page 2

The Commission should hold “interested persons” meetings about the lobbying registration and reporting rules. Also on a preliminary note, we recommend that the Commission consider holding one or more “interested persons” meetings about the issues raised by the proposed changes – especially the registration and reporting requirements and procedures – in addition to soliciting written comments and discussing them at Commission meetings. As you may know, the California Fair Political Practices Commission (“FPPC”), the state agency which has jurisdiction over the state’s lobbying, ethics and campaign laws, routinely holds meetings attended by the regulated community, ethics reform groups, members of the public, etc. whenever it adopts or amends a regulation. Interested persons meetings have proven to be a productive way to obtain input before drafting regulatory language, because such meetings are more informal and open-ended than a formal Commission meeting, and provide much more opportunity for a back-and-forth discussion of the issues. In fact, the Commission organized several informal “working groups” when it looked at updating the City’s lobbying reporting rules in 2006.

We believe that the review of the reporting rules would benefit from discussion in a less formal environment which allows for more than three minutes of testimony per speaker and which facilitates more give-and-take about the time and effort required to gather information for, and to prepare accurate and complete lobbying reports. Because “the devil is in the details” with regard to technical reporting rules, interested persons meetings would allow the persons who actually prepare lobbying reports to suggest improvements to the reporting forms and procedures, and, in our opinion, are more likely lead to clear and streamlined rules which better balance the need for public information with the burden placed on lobbying entities. We therefore urge the Commission to ask staff to hold interested persons meetings prior to finalizing changes to the lobbying reporting rules.

#### Comments on Specific Proposals

The definitions and exemptions are much clearer. We applaud staff’s efforts to clarify the definitions in the Ordinance and to expanding the list of registration and reporting exceptions. These provisions were perhaps the most outdated and unclear; the proposed language revisions will make it much easier to determine whether someone has to register and whether a particular activity triggers reporting.

The time period for preparing and filing bi-monthly reports is too short. Currently, lobbying reports are due at the close of the month following the reporting period. The state, the County, the Los Angeles Metropolitan Transit Authority, and almost every other jurisdiction in California which has a lobbying law allows 30 days to prepare and file reports.

Staff proposes decreasing this turn-around time by two-thirds to just 10 days.

Ten days is not enough time to prepare and file lobbying reports, especially given the many questions that must be answered and the detailed recordkeeping that is required pursuant to the proposed Ordinance. First, the proposal increases the information which lobbying entities must gather and include on their reports (it should be noted that the Association opposes some of these increases, as discussed below). It is unreasonable to increase the number of questions asked on a form but decrease the amount of time to prepare the form. Second, shifting the compliance period into the first 10 days of the month ignores the practicalities of real-world schedules. Most lobbying firms have several lobbyists, and most lobbyist employers need to gather information from several different employees; one or more may be on vacation, ill, or otherwise unavailable during this unreasonably quick turn-around period. Moreover, depending on when weekends or holidays fall during the month, 10 days could effectively leave only 1 business week to prepare and file a report.<sup>1</sup>

Staff seeks to justify such a drastic cut in the time allowed to prepare and file reports by stating that it “further supports more timely public awareness” and by pointing out that some other jurisdictions have shorter deadlines. Just because another jurisdiction may have a particular reporting timeline, that does not make such a timeline appropriate for the City of Los Angeles. Further, staff does not analyze whether those other lobbying reports are as extensive as the ones staff is now proposing. Perhaps more importantly, before coming up with the 10-day deadline, staff did not, to our knowledge, ask the people who actually prepare lobbying reports how long this task takes.

In short, we strongly recommend maintaining the current filing deadline, requiring reports to be due on the last day of the month following the close of the reporting period.

Lobbying reports should not ask for the “job titles” of City employees contacted, or for the dates of meetings or telephone calls. The proposal would require lobbyists to list the exact date of every meeting, telephone call, or text message with a City official. This proposal is unworkable and would place an unnecessary burden on lobbyists. Not only do lobbyists initiate contacts with City officials on a regular basis, they routinely receive

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<sup>1</sup>We note that during three or four months of the year – January, July, September and sometimes October – a holiday falls during the first 10 days of the month. In addition, lobbying firms and entities may be involved in election-related activities during the first 10 days of June and November during election years.

Mr. Arman Tarzi  
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telephone calls and emails from City officials – while in their offices, in their cars, in meetings, while traveling, and while monitoring hearings. It is not reasonable to expect them to be able to keep track of each and every time they talk to or otherwise interact with a City official. The staff report provides absolutely no justification for asking lobbyists to list the dates of all of their contacts with City officials, even though it is arguably the most dramatic proposed change.<sup>2</sup>

Asking lobbyists to list the job titles of City employees is also unnecessary and burdensome. Exact job titles may not be known or may have changed, especially for employees of City departments, and could lead to arguments with the Commission’s enforcement staff about, for example, the job title or official level of particular City Council staff members. Staff’s only support for adding job titles is that “some City departments have thousands of employees, so knowing only which department is lobbied does not provide much understanding of what lobbying activity is taking place.” The Lobbyist Association does not disagree with this assessment of the current disclosure rules, but the proposal is much too burdensome. Instead, the on-line reporting system could require lobbyists to indicate the specific divisions within each department and the specific Council offices they contacted.

More to the point, the marginal benefit to the public of knowing the exact dates of contacts between a lobbying entity and City employees, elected officials, and commissioners is clearly outweighed by the substantial burden of having to keep track of each and every e-mail, telephone call, meeting, text message, letter, memorandum, conversation in the hallway, discussion at a community event, etc. As such, this requirement is likely to become a “trap for the unwary,” and an opportunity for legislative and political opponents – and the Commission’s enforcement staff – to play “gotcha” with City lobbyists who are doing their best to comply with the law. This new requirement would empower legislative and political opponents to file complaints with the Commission, and lobbyists would be caught in the position of having to defend whether they met with a certain City employee on a Monday or a Thursday, whether a follow-up email sent two days after an original email should have been reported, whether a chance encounter at a community event really included substantive lobbying, etc.

We urge the Commission to reject staff’s proposal to add job titles and dates to reports, and instead to direct staff to update the on-line filing system to include department

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<sup>2</sup>We note that the Commission rejected this same reporting requirement when it was proposed by staff in 2009 – and we urge the Commission to do so again.

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divisions, Council offices, and other more specific information about City agencies which are contacted by lobbyists.

The registration threshold for in-house employees should not be based on compensation. Our biggest concern with the \$5,000 registration threshold is that it would capture too many higher-paid employees of businesses, labor unions and nonprofit organizations and too few lower-paid employees. For example, an employee who earns \$50,000 per year would have to register if he or she spends 10 percent of his or her compensated time during a year on City lobbying, whereas a CEO or Executive Director who earns \$250,000 per year would have to register if he or she spends only 2 percent of his or her time on City lobbying activities.

Although, as staff points out, some jurisdictions base registration on “contacts” and some on “compensation,” San Diego and San Francisco recently conducted thorough analyses of the pros and cons of each approach and chose to base registration for in-house lobbyists on the number of contacts they have with officials in that jurisdiction, not on their salary. (See S.F. Camp. & Govt. Conduct Code section 2.105 [5 contacts in a 1-month period]; S.D. Muni. Code section 27.4002 [10 contacts in a 60-day period].)<sup>3</sup> The jurisdictions which have moved to a contacts test have also noted that it is easier to enforce, because they can simply count the number of emails between an employee and public officials, rather than having to guess at the amount of time which the employee spent on, and compensation the employee received for, lobbying. The Lobbyist Association does not necessarily have a recommendation for this “contacts” threshold, but suggests that the Commission set it high enough to exclude employees who have only occasional or sporadic interactions with City officials.

The Commission should re-examine all existing reporting requirements. The current quarterly reports ask numerous questions which are not relevant to the amount of influence which the lobbying entity might have over a City official, or which are so vague or complicated that answers are inconsistent and unreliable. Having lengthy and complicated reporting requirements not only places a burden on lobbying firms and lobbyist employers (especially if they are relatively small in size), but also makes it unnecessarily difficult to comply and might actually discourage, rather than encourage, entities from complying with the

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<sup>3</sup>In the Los Angeles area, both the County and the Los Angeles Metropolitan Transit Authority base registration for in-house employees on contacts rather than compensation. (County Rule 2.1(B)(2) [5 contacts in a 3-month period]; LAMTA Admin. Code section 5-15-150 [1 contact].)

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law.

Staff has basically recommended keeping all (or practically all) of the current reporting requirements (and adding several new ones, as discussed above), but does not indicate whether it conducted an analysis to determine if these questions are providing useful information to the public. For example, we question the usefulness of requiring lobbying entities to file with the Commission a copy of fundraising solicitations, even when the solicitation is a simple email sent to the lobbyist's clients and colleagues. We also question why staff wants lobbying firms to continue to have to calculate and disclose the percentage of their employees' salaries which are attributable to City lobbying, when disclosing the fees paid to the firm by its clients is a much more accurate gauge of the firm's lobbying activities. (A cursory review of the reports currently filed by lobbying firms reveals that many, perhaps most, no longer even answer these questions.) We also question requiring lobbying entities to list their campaign contributions or charitable donations, when that same information is currently found more readily on the Commission's on-line database of campaign contributions and the "Behested Donation" reports filed by election officials.

As mentioned above, we believe that these reporting requirements could be most efficiently and productively analyzed at interested persons meetings, where the persons who prepare reports can provide information about the challenges presented in complying with some of the rules, offer suggestions about ways to improve the on-line filing system, answer questions from staff, etc. We also believe that it would be useful for the Commission's consideration of proposed revisions to the Ordinance for staff to conduct a more thorough analysis of the information which is currently disclosed, and whether public policy goals are served by the disclosure of such information.

The exemption for certain 501(c)(3) nonprofit entities should be clarified and limited. Although the Association appreciates the burden which the Ordinance could place on traditional, small, social service agencies, and appreciates staff's efforts to narrowly define the exemption, we are concerned that organizations which engage in substantial advocacy and lobbying activities would improperly claim to qualify for this proposed exemption.<sup>4</sup> More

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<sup>4</sup>We also question the meaning of the last two sentences of the proposed exemption. What does it mean that the exemption will apply to "employees engaged in the same activity"? And what does it mean that the exemption will not apply to "other action by the organization and its employees"? The answers to these questions may assuage our concerns about potential abuse of the proposed exemption.

specifically, we are concerned that organizations whose employees lobby City officials as a regular part of their job will avoid registration and reporting just because they work for a 501(c)(3) nonprofit which provides services to disadvantaged individuals. If a soup kitchen or homeless shelter has employees whose jobs entail attempting to influence the City Council to adopt a “living wage” ordinance or to devote a higher percentage of the City’s budget to services for the homeless, or who are working with the Planning Department on land use entitlements for a new facility, the public has as much of a right to know about the lobbying efforts of these 501(c)(3) personnel as they do about the activities of for-profit entities working on the same public policy issues.

In order to clarify the limited scope of this exemption, we suggest that the Commission include the following more specific language:

An organization that is exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, receives funding from a government agency, and was created primarily to provide direct basic life assistance to disadvantaged clients at a rate that is significantly below market, **and which does not identify influencing local public officials on public policy issues, directly or through grassroots advocacy, in its mission statement, tax exempt purpose, or promotional materials. . . . This exemption does not apply to other action by the organization and its employees, or to funding, property, or a permit that the organization is seeking from the City on its own behalf.**<sup>5</sup>

Lobbying on land use matters should be treated differently than other types of lobbying. Finally, we suggest that the Commission consider analyzing registration and reporting requirements in connection with property owners who are seeking to obtain land use entitlements in a different way than it analyzes other lobbying activities. When the Commission sought to revise the City’s lobbying law in 2009, after meeting with Planning Department employees and land use professionals, staff proposed creating exemptions and reporting requirements unique to the land use arena; we urge the Commission to direct staff to

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<sup>5</sup>We note that this language exempting lobbying City officials for increased funding for the organization or to approve construction of a new facility for the organization from the exemption was in the version of this exemption proposed in 2009.

Mr. Arman Tarzi  
August 14, 2017  
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include these types of provisions in the current proposal.

Seeking approval from the City to build on real property most likely comprises the largest percentage of reportable “lobbying,” as that term is defined under current law. Put another way, if all property owners and all land use attorneys reported all of their interactions with the Planning Department, Planning Commission, Neighborhood Councils, and City Council, they would certainly be the “largest” lobbying entities, and their numbers would dwarf the reports filed by other entities.

Interactions with City officials on land use matters are qualitatively different from attempting to influence other types of City ordinances or contracts, because property owners are legally required to go through the City process; unlike deciding whether or not to oppose an ordinance, property owners – if they want to build on their land or expand or alter an existing structure – do not have a “choice” as to whether or not to interact with City officials and employees. Land use matters are also different because it is practically impossible to navigate the planning process without hiring lawyers, engineers, consultants, et al. and because the process requires so many interactions between the project applicant and staff in so many different City departments.

In order to provide more meaningful information to the public about City lobbying, we proposed to staff, both in 2009 and last year, that the Municipal Lobbying Ordinance apply differently to the land use entitlement process. The goal is not to exempt project applicants or their representatives or to hide any lobbying activity from the public, but rather to recognize the unique nature of the land use entitlement process, and not artificially inflate the size of reports filed by project applicants and land use law firms. For example, the law might exempt: (1) contacts with City officials during the “due diligence” phase of a project, when the property owner is merely researching the types of uses allowed on the property; (2) contacts with City officials about a subdivision map, building, grading or demolition permit, EIR, State Fish & Game Department or Army Corps of Engineers permit, and other actions which are required by local, state or federal law; (3) work done by geologists, soil engineers, traffic consultants and other “experts” retained by the project applicant; etc.<sup>6</sup>

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<sup>6</sup>We note that the lobbying laws in San Diego and the County of Los Angeles contain exemptions that are unique to the land use context. (See S.D. Muni. Code section 27.4002 [cross-referencing steps in the planning process which are covered by the lobbying law]; L.A. County Code section 2.160.010(D) [exempting “A person whose attempts to influence official action are limited solely to actions taken as an attorney or advocate representing a

Mr. Arman Tarzi  
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We would be willing to facilitate another meeting between land use professionals, Planning Department employees and Commission staff to discuss how the land use process differs from the process of lobbying on City ordinances, contracts and other types of City permits.

\* \* \*

As mentioned above, the Lobbyist Association and its members are fully committed to transparency in their lobbying activities, so long as the reporting rules are clear and straightforward, applied equally to all types of lobbying entities regardless of their type of business or policy focus, and balance the public's right to know with the burden that the Ordinance places on filers. Thank you for the opportunity to provide input, and we look forward to discussing these registration and disclosure issues in more detail at the August 15th meeting.

Sincerely,



James R. Sutton

JRS/dfm  
#1072.02

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party to an administrative proceeding the decision of which is reviewable by a court pursuant to Code of Civil Procedure Section 1094.5.”] & L.A. County Rules Relative to Lobbyist Registration section 2.7 [exempting “actions strictly limited to compliance of formal County requirements for approval or granting of a county contract, permit, grant, license or franchise”].)



Ethics Policy <ethics.policy@lacity .org>

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## Municipal Lobbying Ordinance

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jamie ramirez [REDACTED]  
To: Ethics.policy@lacity.org

Mon, Aug 14, 2017 at 11:35 AM

Hi, I am just writing in to say:

I support the improved regulation of lobbyists by the Los Angeles City Ethics Commission and increased transparency on who is influencing our City Councilmembers and departments!

Thank you!

Jamie Ramirez  
[REDACTED]



Ethics Policy <ethics.policy@lacity .org>

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## Draft Ordinance

1 message

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Diana Nave [REDACTED]

Mon, Aug 14, 2017 at 10:39 AM

To: ethics.policy@lacity.org

Please amend the draft ordinance to ensure that it includes the current requirement that any communication from a lobbying entity to a Neighborhood Council must include a written disclosure identifying the lobbyist, the client, and the interest in the matter.

Thank You

--

Diana Nave  
[REDACTED]



August 17, 2017

VIA EMAIL & U.S. MAIL

Jessica Levinson, President  
Los Angeles City Ethics Commission  
200 North Spring Street  
City Hall, 24th Floor  
Los Angeles, CA 90012

RE: Revisions to Municipal Lobbying Ordinance

Dear Ms. Levinson:

On behalf of the Los Angeles Lobbyist Association, we thank you and your fellow commissioners for your thoughtful and detailed analysis of staff’s proposed changes to the City’s Municipal Lobbying Ordinance at your meeting earlier this week. We also thank you for recognizing that some of the proposed revisions may place unreasonable burdens on lobbying entities and may unfairly vilify entities which are doing their best to comply with the law.

Two important themes seemed to emerge from the Commission’s discussion. First, any proposed MLO revisions would benefit greatly from the regulated community’s detailed input, specifically from those who are actually preparing lobbyist reports. The members of the Lobbyist Association therefore look forward to participating in the “interested persons” meetings which you asked staff to schedule.

Second, the lobbying law must strike a balance between providing useful information to the public about City lobbying activities, and unnecessarily burdening lobbying entities with regard to their tracking and reporting this information. Put another way, if the law seeks to reduce the amount of time available for filers to prepare lobbying reports, then it should streamline the reporting requirements. Similarly, if the law seeks to expand the reporting requirements, then it should also expand the amount of time for information to be gathered and accurate lobbying reports to be prepared and filed.

In order to assist the Commission with this analysis, the Lobbyist Association plans to draft proposed language which strikes a better balance between these competing policy interests, and we intend to submit this language to the Commission before its next meeting on the Municipal Lobbying Ordinance. We also plan to address the issue of how the Commission



Jessica Levinson, President  
Los Angeles City Ethics Commission  
August 17, 2017  
Page 2

might more effectively reach out to individuals and entities who should be filing lobbying reports but currently are failing to do so.

Thank you again for your consideration of the Lobbyist Association's concerns, and we look forward to working with you and staff to improve the MLO for all parties concerned.

Sincerely,

A solid black rectangular redaction box covering the signature of James R. Sutton.

James R. Sutton

cc: Arman Tarzi  
JRS/dfm  
#1072.02



Ethics Policy <ethics.policy@lacity .org>

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## lobbying regulations

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John Okulick [REDACTED]  
To: ethics.policy@lacity.org

Tue, Aug 22, 2017 at 11:04 AM

Dear commissioners,  
Lobbyists should be recognized by money compensation. This is the only transparent way for the public to view city government activities with lobbyists. Example includes Tara Devines lobbyist activities with the Venice Beach BID and others, that included collusion with the city clerk and Mike Bonin's office involvement with property assessments for non business activities with no accountability.

Sincerely,  
--  
john okulick

# Daniel Park

August 30th, 2017

VIA EMAIL - [ethics.policy@lacity.org](mailto:ethics.policy@lacity.org)

City Ethics Commission  
200 N Spring St 2410  
Los Angeles, CA 90012

RE: In support of proposed changes to the Los Angeles Municipal Lobbying Ordinance [LAMC §48.08\(B\)\(12\)](#)

Members of the City Ethics Commission,

My name is Daniel Park and I am a resident of Los Angeles. I respectfully ask that my letter and its contents be included in this case file and also in the staff report for the October 17<sup>th</sup> hearing. Please see my comments below.

I have been following the organizing efforts of Skid Row residents to form their own neighborhood council. Shortly after their election on April 6<sup>th</sup> 2017, the blog [michaelkohlhaas.org](http://michaelkohlhaas.org) reported that several lobbyists were hired by an anonymous Delaware-established LLC to influence members of the City Council to make last-minute changes to their election for the purpose of suppressing mainly low-income and African American voters Downtown.

"It's quite plausible that a more timely disclosure of this information would have changed the outcome of the election." - [michaelkohlhaas.org](http://michaelkohlhaas.org) August 19<sup>th</sup>, 2017

Therefore, I support the below changes to the Los Angeles Municipal Lobbying Ordinance:

- Detailed reporting of contacts including names and titles of City officials influenced.
- Bimonthly reporting of lobbying activity rather than quarterly.
- Compensation-based requirement for registration rather than time-based.
- Ten day deadline for reporting rather than the month that's now required.

Thank you for your consideration,

Danny Park

# Katherine McNenny

August 30th, 2017

VIA EMAIL – [ethics.policy@lacity.org](mailto:ethics.policy@lacity.org)

City Ethics Commission  
200 N Spring Street, Suite 2410  
Los Angeles, CA 90012

RE: In support of proposed changes to the Los Angeles Municipal Lobbying Ordinance [LAMC §48.08\(B\)\(12\)](#)

Dear Commissioners,

My name is Katherine McNenny and I am a resident of Los Angeles. I respectfully ask that my letter and its contents be included in this case file and also in the staff report for the October 17<sup>th</sup> hearing. Please see my comments below.

I have been a property owner and full-time resident of the Skid Row neighborhood in Downtown for 7 years. I work as a Patternmaker in the garment industry and co-founded Industrial District Green, an organization that plants and cares for trees in the area. I have also dedicated a lot of my free time towards forming the “Skid Row Neighborhood Council” because frankly- even though hundreds of millions of dollars flow into the area yearly- somehow the conditions in the streets and in several of the local shelters and low-income hotels remains substandard. From my perspective, what has been sorely lacking is a true political voice from the community that could communicate directly with City Hall. I am proud to be a part of this grassroots resident-led movement.

As civically engaged citizens of Los Angeles, you all must be aware of the long-standing and deeply complex issues that Skid Row has faced and continues to wrestle with. When deciding on changes to the Municipal Lobbying Ordinance, I would simply ask that you consider what recently happened to my community.

Shortly after April 6<sup>th</sup> 2017, the blog [michaelkohlhaas.org](http://michaelkohlhaas.org) reported that **several lobbyists were hired by an anonymous Delaware-established LLC to influence members of the City Council to make last-minute changes our Skid Row Neighborhood Council election for the purpose of suppressing mainly low-income and African American voters Downtown.**

“If you’re wondering how important this issue is, just think back to the recent episode of the [Skid Row Neighborhood Council](#) formation effort. There we saw [massive illegal lobbying efforts](#) directed...to subvert the subdivision election on behalf of [anonymous clients](#) who paid [more than \\$45,000](#) for this service and whose identities, despite the requirements of the MLO, are still unknown to the public. It’s quite plausible that a more timely disclosure of this information would have changed the outcome of the election.” - [michaelkohlhaas.org](http://michaelkohlhaas.org) August 19<sup>th</sup>, 2017

“The mega-lobbying firm [Liner LLP](#) started lobbying against the SRNC [in February 2017](#). If we’d had this proposal in place then they’d have had to disclose this by March 10, which would have allowed the SRNC

formation committee almost a month before the disastrous April 6 election to counter the [egregious lies spread by Liner's lobbyists.](#)" - [michaelkohlhaas.org](http://michaelkohlhaas.org) August 30th, 2017.

This was done through the allowance of on-line voting for our election, even though our community had already officially weighed in that we did not want this because that vast majority of Stakeholders in Skid Row do not have easy access to a computer. In fact, online voting was at the time of our election banned City-wide. But, through targeted "invisible" lobbying efforts, that we only found out about after our election was over- online voting was allowed less than two weeks before our election day. The results of this lobbying done to squash the Skid Row community's voice were devastating- we lost by a mere 60 votes. Years of organizing and coalition-building went down the drain. I am still in shock that this was allowed to happen- and left wondering how can it be curtailed so that citizens of Los Angeles (not *only* the moneyed interests that can afford to spend tens of thousands of dollars on lobbyists) have a fighting chance to be heard and gain a seat at the table in important decisions that affect them. Neighborhood councils are volunteer organizations after all- no one is getting paid, they are advisory only. What happened with the Skid Row Neighborhood Council election is the only incident that I am aware of in the entire history of the NC system (15 years and counting) where paid lobbyists were allowed to influence an election. Our Skid Row Neighborhood Council-Formation Committee now has no choice but to seek legal representation in order to sue the City of Los Angeles to right this wrong.

**It is imperative to the integrity of the entire neighborhood council system (not to mention any other citizen or group in Los Angeles affected by lobbying) that a full analysis of what happened with regards to lobbying is brought to light so that no one should ever have to go through this again. Without changes to the current lobbying ordinance- this is impossible.** Citizens or groups of citizens should not have to sue the City of Los Angeles to determine if lobbying efforts undermined their advocacy work or other community efforts- especially if the community is comprised of low-income people who already struggle simply trying to ensure that their neighborhood receives its fair share of City services.

Therefore, I support the below changes to the Los Angeles Municipal Lobbying Ordinance:

- Detailed reporting of contacts including names and titles of City officials influenced.
- Bimonthly reporting of lobbying activity rather than quarterly.
- Compensation-based requirement for registration rather than time-based.
- Ten day deadline for reporting rather than the month that's now required.

Sincerely,

  
Katherine McNenny  
  




Ethics Policy <ethics.policy@lacity .org>

In support of proposed changes to the Los Angeles Municipal Lobbying Ordinance LAMC §48.08(B)(12)

1 message

[Redacted]

Thu, Aug 31, 2017 at 3:32 PM

To: ethics.policy@lacity.org

Henriëtte Brouwers

[Redacted]

[Redacted]

[Redacted]

August 30th, 2017

VIA EMAIL – [ethics.policy@lacity.org](mailto:ethics.policy@lacity.org)

City Ethics Commission

200 N Spring St 2410

Los Angeles, CA 90012

RE: In support of proposed changes to the Los Angeles Municipal Lobbying Ordinance [LAMC §48.08\(B\)\(12\)](#)

Members of the City Ethics Commission,

My name is Henriëtte Brouwers and I work in in the City of Los Angeles. With Los Angeles Poverty Department I work with affected residents in Skid Row and I am a stakeholder for the Skid Row Neighborhood - Formation Committee. I respectfully ask that my letter and its contents be included in this case file and also in the staff report for the October 17<sup>th</sup> hearing. Please see my comments below.

I have been following the organizing efforts of Skid Row residents to form their own neighborhood council. Shortly after their election on April 6<sup>th</sup> 2017, the blog [michaelkohlhaas.org](http://michaelkohlhaas.org) reported that several lobbyists were hired by an anonymous Delaware-established LLC to influence members of the City Council to make last-

minute changes to their election for the purpose of suppressing mainly low-income and African American voters Downtown.

“ It’s quite plausible that a more timely disclosure of this information would have changed the outcome of the election.” - [michaelkohlhaas.org](http://michaelkohlhaas.org) August 19<sup>th</sup>, 2017.

Therefore, I support the below changes to the Los Angeles Municipal Lobbying Ordinance:

- Detailed reporting of contacts including names and titles of City officials influenced.
- Bimonthly reporting of lobbying activity rather than quarterly.
- Compensation-based requirement for registration rather than time-based.
- Ten day deadline for reporting rather than the month that’s now required.

Thank you for your consideration,

Henriëtte Brouwers

Lo Angeles Poverty Department  




Ethics Policy &lt;ethics.policy@lacity.org&gt;

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## Feedback Comments on Draft Lobbying Ordinance

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Jae Kim [REDACTED]  
 To: Ethics Policy <ethics.policy@lacity.org>

Tue, Sep 5, 2017 at 3:11 PM

Thank you reaching out for input. I would like to qualify my comments below based on my initial read of the draft ordinance. The bulleted comments are feedback specific to the language from the draft.

My comments....

An ordinance that sets the rules for lobbyists to conform to certain, existing rules on City Matters would be helpful and much needed. For the purposes of trying better standardize the City's operation and service to the public, improve transparency and curb lobbying malpractices, this ordinance would, in one aspect, fill the gap for standardizing the practices of the "private side", as well as establishing some protective measures for City employees. Hence, a purpose statement should be added at the top of the ordinance of this nature would be quite important. We want to make sure that the intent is clear.

- Recordkeeping. This ordinance puts the burden on the lobbyist to work in good faith and keep records for disclosure purposes.
  - Will the Ethics Commission maintain and administer these records?
  - It's not clear how and when these records will be used - NO CRITERIA.
  - Is there public access to these documents? An issue of access versus management.
- Will this be managed through an ONLINE DATABASE?
  - If so, a clause on electronic recording should be added.
  - This also provides a certain layer of control of information - through filters.

I believe we should be careful not to sound like we are looking to tighten the rules on some prior problematic issue with a not-so-business friendly tone. We should be clear that this would be a component to having an open, welcoming position for business opportunities while better establishing transparency-oriented standard procedures.. with an ultimate intent to enhance our public service. The language should be inclusive of standardization of practices and streamlining of procedures. We should be cautious about creating another logistical layer and effectively raising the cost of "doing with business with LA".

- Definitions. Some of the definitions are over-extensive and sound like any dealings with the City could make one look suspicious.
  - the definition of "Attempt to Influence" is misleading and over-reaching, as currently drafted. For instance, "researching, investigating, and gathering information" and "providing advise or recommending strategy" is defined as influencing - whereas the City's applications require that the Applicant submit justifying reasons for their request.
  - "Direct Communication" is inclusively defined as "corresponding...through an agent", "communicating on record at a publicly noticed meeting", "submitting a document", "submitting a bid", requesting clarification", etc. This not only doesn't make any sense, but also belies the common definition, use and understanding of the term direct communication.
  - An "Issue Advocate" is defined that its expenses include those that "are not required to be reported by a lobbying entity". This is contradicting the definition of a Lobbying Entity, which includes an Issue Advocate. Should further clarify whether an Issue Advocate falls under the category of a Lobbying Entity..
  - there are others....

There is a question on the applicability of these rules in practice. Some language could be inserted where the Ethics Commission determines the policy of setting procedural/operational rules. There is no other reference to Code or rules of conduct - which makes this seems arbitrary. The draft has strong language on what happens if one violates the rules. However, it's unclear as to how, under which circumstances, one would be violating those rules... Speaking of transparency and due process, there should be more clear criteria.

<https://mail.google.com/mail/b/AAyagpWCKDISPvydgxzbB0QffAvPWWYOFsnLpmCrYsF8QAQjOoW/u/0/?ui=2&ik=d1f2b880be&jsver=EalL6uzdl9M.e...> 1/2

- **Registration.** Does the lobbyist have to register on every "City Matter", as defined - or is there an option to subsequently update the file for new info/changes? Unclear.
  - Clarify Registration "Contents" section and procedures for first-time "registrees" versus amendments to add new items or revise old ones if already on-file.
  - Allow for eco-friendly Online Registration with in-person verification as a follow up. Also allow for other electronic submittals.
  - The "Duration" language is unclear with reference to "shall retain that [lobbying] status through the earlier of Dec 31". (??)
  - The Reg Fee seems arbitrary... for doing business with the City.
  - The annual fee of \$75 seems fine but should add a function to require an annual update to the Entity's Registration Content. Helps justify the fee - again, allowing for online streamlined process.
- Clarify on Lobbyist having to register within 10 biz days after qualifying as a Lobbying Entity... How does one "qualify" and who determines that one has qualified? Is it on the date of the signed contract with a Client? Or on the day of the first paid installment or full payment? 10 Business Days seems too unfriendly.. Extend to 30 (calendar) days.

The timing of release for this ordinance should be well coordinated. From a high-level perspective, if our rules were clear and easy to follow, then there shouldn't be a real need to hire lobbyist for development projects (which has resulted in ~\$62M for lobbying cost last year). The City is going through a major transition in rewriting our Zoning Code, elements of the General Plan, re-establishing our standard procedures, etc... Currently, our rules leave quite of bit of room for interpretation, on one hand, intentionally, because "one-sized" development rules cannot fit all the tens of thousands of various, City properties. The Charter establishes certain roles to render interpretative decisions (i.e. Zoning Administrator), while our applications for discretionary actions require those requesting special approvals to provide us with the reasons and additional materials as part of the filing submittals. Then, is this a situation of... the cart before the horse?



Ethics Policy <ethics.policy@lacity.org>

In Support Of Proposed Changes To LAMC §48.08(B)(12)

1 message

Laura Velkei [redacted]  
To: ethics.policy@lacity.org

Wed, Sep 6, 2017 at 8:59 PM

I support:

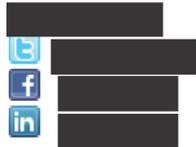
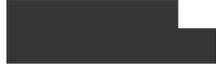
- Compensation-based definition of lobbyists,
- Detailed reporting of contacts by lobbyists
- The inclusion of Neighborhood Councils as a City agency for the purpose lobbying disclosure.

It is also my recommendation as an NC board member whose NC was directly impacted by the failure of the City to protect Skid Row community leaders, that DONE be fully investigated for misconduct by the ethics commission.

I serve on the board of the HCNC and also serve as a founding member of the Arts District Community Council LA.

Thank you.

--  
Laura Velkei  
educate. unify. activate.



Letter to the Los Angeles Ethics Commission regarding  
proposed revisions to the Municipal Lobbying Ordinance

Adrian Riskin

[REDACTED]

[REDACTED]

September 12, 2017

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<sup>1</sup>Note that [blue text](#) indicates clickable links internal to this document whereas [green text](#) indicates clickable links to resources on the Internet.

# 1 Proposed revisions

## 1.1 Definition of lobbyist

1. The current definition of lobbyists is essentially unusable from the points of view of both compliance and of enforcement. Furthermore, it creates a lot of presumably unintentional edge cases wherein two people who are very similarly situated have very different obligations under the law as it now stands. Moving to a compensation-based scheme will make both compliance and enforcement easier and will create more consistent compliance obligations.
2. First, consider compliance. People who are compensated to lobby but charge a flat rather than an hourly rate may easily and inadvertently violate the law as it now stands. For instance, suppose a person does 29 hours of lobbying activity in January including a contact and then happen to spend an hour in March monitoring a City Council meeting. This triggers the registration requirement, but it's easy to imagine that the person wouldn't realize that that extra hour so long after the bulk of the work was done created a legal obligation. In January they had no reason to track their hours and by March they may not even remember how long they worked, if they ever knew. It's likely, therefore, that the current definition increases the rate of inadvertent noncompliance. In contrast, everyone keeps close track of how much money they earn.
3. Next, consider enforcement. As above, the fact that many people who might be required to register charge on a flat-rate basis means that there may well be no records of how much time a given person is paid to attempt to influence City officials. If there are no time-sheets it's difficult, although admittedly not impossible, to prove a violation of the registration requirement. Again, though, everyone keeps track of the money they earn and because it's effectively impossible to operate outside the financial system, even if a lobbyist doesn't keep track of compensation there will be evidence held by third parties that will be available to investigators.
4. Finally, the current definition of lobbyists creates situations where similarly situated people are treated very differently under the law and in which there's no public policy being furthered by the essentially arbitrary distinctions. Just for instance, imagine that a person is paid for 100 hours of lobbying activity in January but makes no contact with City officials. They don't do any lobbying activity in February. If they make contact on March 31 to attempt to influence they're required to register. If they make contact on April 1 they're not required to register. The public either has an interest in knowing what both these people are up to or they have an interest in neither. It's impossible to imagine that there's any principled distinction between the two cases, and yet the MLO as currently configured makes a huge distinction.
5. The proposed change from a time-based registration requirement to a compensation-based requirement is in my opinion the single most important proposal currently being considered. Many of the public comments made during the current round of discussion about MLO revision have focused on getting unregistered lobbyists to register. A

number of commissioners have expressed the same concern at Commission meetings. Although some commenters seem to assume there's a dichotomy between revising the MLO and increasing the registration rate, in fact there's no way to increase the number of registrations without having crystal clear requirements that are easy to understand, easy to follow, and easy to enforce. The current language has none of these properties. The proposed language has all of them.

6. At one of the Interested Persons' Meetings I heard someone say that a compensation-based threshold was unfair because more highly paid lobbyists would qualify for registration after fewer hours than their colleagues whose time wasn't worth as much. Presumably, however, clients are willing to pay certain lobbyists more because the services they provide are more valuable. The only reasonable candidate for what creates the value of a lobbyist's work is the quality of the influence provided. Thus there's almost certainly some kind of equilibrium dollar value of a "unit of influence" determined by the market for lobbying services. It's pretty likely, therefore, that the \$5,000 registration threshold represents approximately the same amount of influence no matter how many or how few hours it's spread out over. Thus the fact that different lobbyists earn different rates isn't a reason to discard a compensation-based registration threshold.

## 1.2 Definition of "agency"

7. The proposal to explicitly include neighborhood councils ("NCs") in the definition of "City agency" found at LAMC §48.02 of the Municipal Lobbying Ordinance is important both to inform the general public about paid lobbying of NCs and also to inform NC board and audience members of the attempts by professional lobbyists to influence NCs and, through them, other City agencies.
8. From comments made at the Interested Persons' Meeting on September 7, 2017, it's apparent that lobbyists actively seek out NC approval for their clients' development projects. This claim is easily justified in fact as well as in theory. Just for instance, take a look at the August 2017 agenda of the PLUM committee of the Downtown Los Angeles Neighborhood Council ("DLANC"), appended here as [Exhibit 1](#) on page 13. There are six presentations from people seeking approvals of real estate matters. Each of these presentations was conducted by a paid representative. Many but not all of these representatives are or have been in the past registered with the CEC. Irrespective of their registration status, though, some time with Google reveals that all are paid for their advocacy.
9. At recent Commission meetings and Interested Persons' meetings, some commenters, and even some commissioners, have questioned the utility of disclosure and wondered who, if anyone, might be interested in the information of which the CEC was proposing to require disclosure. This is a case where, I hope, the utility is clear. The members of boards of NCs are deluged with information from paid representatives. As it stands the NC board members aren't necessarily easily able to track down who's paying whom or, more importantly, which other City agencies are being lobbied in support of projects.

10. The kind of information that would be disclosed under this proposal could be essential for helping NC board members, who have a great deal of influence and responsibility but no research staff or other investigative resources comparable to, e.g., Councilmembers, weigh the credibility of representatives, discuss representatives' presentations with other NCs or other City agencies, and so on. Transparency has intrinsic abstract value, to be sure, but in this case it has immense immediate practical value as well. This very point was discussed at the September 9 Interested Persons' Meeting on NCs and lobbying.
11. There's a lot of money at stake in these projects and in all the projects that come before NCs. There's no real reason why advocacy before NCs shouldn't require disclosure whereas advocacy before e.g. a zoning administrator or other City officials who control the early stages of projects.

### **1.3 Registration deadline**

12. The proposal is to require lobbyists to register 10 days after they qualify rather than 10 days after the end of the month in which they qualify. I support this change for the reasons given in the staff report, to which I have only one comment to add. In various venues, comments from the public and from some commissioners have focused on the burdens which more rapid filing deadlines might impose on the "regulated community." Here there's not much of a case to be made for that. Every lobbying entity has to register but once a year and the work involved in preparing an annual registration is minimal. The benefits to the public as outlined in Arman Tarzi's report far outweigh any potential burden which this change might impose on those required to register.

### **1.4 Content of registration forms**

13. I am in favor of the changes proposed in the staff report for the reasons given there. It's important to note that these requirements are not out of line with the rules in other cities so presumably there's a workable and profitable business model for lobbyists that can absorb whatever burden the changes might place on registrants.

### **1.5 Prior city service**

14. The proposal here is to require lobbyists who formerly worked for the City to disclose their last date of service. The idea is to make former City employees more aware of their obligations under the so-called Revolving Door Ordinance ("RDO").
15. I support this proposal, but I think it does not go far enough. I encourage you all to amend your proposal to, in addition, require the disclosure of the City agencies that employed the person as well as their ranks when employed. The ranks should be given in the same terms as are listed in [LAMC §49.5.13\(C\)\(1\)](#) rather than by title. That is, for instance, as Council Aide VI instead of "Deputy Chief of Planning" or whatever.

16. This information would be extremely useful to have in the proposed context for at least two reasons with respect to investigating RDO compliance:
  - (a) First, because even though [LAMC §49.5.13\(E\)](#) seems to require the controller to produce a list of people at the relevant ranks and submit this list to the CEC each year, I don't think this actually happens. At least I've never been able to get a copy of this list from either the controller or the CEC, and mostly they don't seem to even know what I'm asking for. It may be that I've been asking wrong. However, even if this list were made available, having the information linked to people who are actually engaged in lobbying would make it much more useful.
  - (b) It is exceedingly difficult in practice to obtain the ranks and positions of former City employees. Just for instance I've had the controller's office tell me that they cannot even confirm that someone formerly worked for the City, let alone tell me what their rank was. They have occasionally asserted that this is private personnel information. To make matters worse, sometimes they just tell me and sometimes they refer me to other offices, e.g. the Clerk, and sometimes the Clerk just tells me. As often as not, though, no one will tell me. It's evidently not secret information, though, because occasionally the controller or the clerk will reveal it. Also, often current employees of the agencies are reluctant to reveal the ranks of their former comrades who've turned lobbyist, perhaps out of solidarity?<sup>2</sup>
17. It's my impression after a few years of research that the RDO is regularly violated, possibly on purpose, possibly by mistake. Requiring at least registered lobbyists to disclose the details of their former City employment would, therefore, not only help to raise awareness of the RDO, but also to make investigation and reporting of violations of the RDO much easier. This would, in turn, raise awareness even further and almost certainly increase compliance.

## 1.6 Frequency and deadlines

18. When a City matter is being considered, lobbyists attempt to influence the decision-makers. Non-lobbyists who are interested in the outcome need information on the positions the lobbyists are taking and the City officials they're contacting so that they can effectively oppose or support these efforts. Because City matters can be decided rapidly and because it takes time to turn disclosures into actionable information<sup>3</sup> to guide political action, the faster the disclosure happens the better a position non-lobbyists are in.
19. As an example, consider the case of the Skid Row Neighborhood Council ("SRNC") formation election, which unfolded in the first four months of 2017. There was an election scheduled for April. Professional lobbying against the SRNC provably started

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<sup>2</sup> Sometimes they willingly reveal them, as they should do.

<sup>3</sup> E.g. through the California Public Record Act ("CPRA") which, even when it's uncharacteristically operating at ideal speed, rarely produces results in less than a couple of weeks. It often takes significantly longer than that, especially when, due to inadequate information in lobbying disclosures, it's not possible to frame highly specific requests.

in February and quite likely began as early as January. It involved some public contacts, e.g. comments before the Board of Neighborhood Commissioners and before the City Council’s Rules and Elections Committee, but the bulk of the attempts to influence, e.g. emails, phone calls, and private meetings with Council staff and José Huizar, would ordinarily only have been discoverable through disclosure.<sup>4</sup> If the deadlines had been as proposed here the details would have had to have been disclosed by March 10, which would have given SRNC proponents four weeks prior to the election to investigate and counter lobbying activities. The present deadlines only required disclosure by May 1, almost a month after the election.<sup>5</sup>

20. While I would like to see disclosure be as rapid as possible, even real time, I realize that that may not be practically possible and it’s clear that that’s not politically possible. There’s nothing particularly special about bimonthly reporting and ten day deadlines except that they’re faster than what we currently have and they may be politically attainable.

## 1.7 Detailed reporting of contacts

21. Of all the proposed revisions to the MLO I think this is the second most important for promoting government transparency and preserving the faith of the public in their elected officials. I rank it directly after the proposed move to a compensation-based registration requirement. The fact that the present disclosure requirements are vastly inadequate has been discussed in detail at both the August Commission meeting and at at least one of the Interested Persons’ Meetings, so I won’t go over it again here. Instead, I will focus on some specific ways in which this proposal would increase transparency and also reply to two objections that have been made to the proposal.
22. The CPRA requires requests to be “focused” in the sense of identifying specific records. There’s also some common law that suggests that local agencies can deny requests on the grounds that there are too many responsive records. The City of Los Angeles routinely denies or delays the production of records on both of these grounds. Thus in order to use the CPRA effectively to investigate attempts to influence, it’s necessary to have as much information as possible in hand prior to making a request.
23. If I ask for e.g. “all emails between anyone on Council Staff and anyone at Lobbying Firm X” it will almost certainly be denied. Even if I narrow it to the typical parameters found in current disclosures my chance of receiving records promptly if at all is not high. However, if I know that lobbyist X met with staffer Y on day Z to discuss issue W I can frame a really specific request that the City is unlikely to deny, at least for the generic reasons given here.

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<sup>4</sup> Coincidentally I was able to obtain a lot of information about this process through CPRA, but mostly because at first it was responsive to requests I’d made for other reasons. I didn’t get anything before the middle of April, though, because I understand the extent of the lobbying prior to then.

<sup>5</sup> As it happens even that deadline was unmet, leading to a number of complaints filed with CEC enforcement staff.

24. Additionally, there's a strong perception that some City officials are more friendly to lobbyists than others. It would be invaluable therefore to be able to conduct quantitative analyses on contacts between lobbyists and officials. Now this task, while it may be theoretically possible, is practically impossible due to the vast amounts of time and resources that would have to be invested in order to gather the data. Even if someone did try to collect this information via CPRA requests for staff appointment calendars and so on, there'd be no way to be sure the data was consistent across City offices given their wildly uneven policies for disclosure. If the proposal were in place, however, it would be (relatively) easy to study, e.g., how much time different Council offices, different staff members, and so on, spend with lobbyists.
25. A number of commenters have claimed that this proposal would impose an unsupportable burden on people subject to the disclosure requirements. I don't think this is true, for at least two reasons:
  - (a) First, as noted in the staff report, other cities require this level of reporting. See, e.g., [Exhibit 2](#), which is an actual quarterly lobbyist disclosure from San Francisco which illustrates the level of detail required. The form lists date of contact, person(s) contacted, and issue(s) discussed. The lobbying profession is alive and well in San Francisco. It hasn't been driven out of business by this requirement. It would not be in Los Angeles either.
  - (b) Some commenters have noted that they wouldn't be able to keep track of people at meetings and that sometimes they don't even know the names of everyone present. A registered lobbyist and commenter at the September 7 meeting said that this proposal would be unworkable unless some of the responsibility were shared with City staff. I think this is absolutely right. There's no reason, e.g., not to require City staff and officials to distribute their business cards at every meeting with the public, or to have schedulers or other people who set meetings prepare and distribute an official statement of who was present. This can possibly be implemented as a regulation or an interpretation rather than requiring new laws.
26. At least one commenter has claimed that disclosure at this level of detail is unnecessary. The claim seems to be that members of the public who are following an issue and attending or attending to public meetings on the issue will know which lobbyists are working on the issue, what their positions on the issue are, and which City agencies they're contacting. This position is true as far as it goes, but it fails to address the fact that a large amount of lobbying takes place only in private offices, or on the phone, or by email, and doesn't involve public comments at public meetings. Many City matters are at the discretion of a single City official or City office and do not need a vote, are therefore not subject to the Brown Act, and may never come to light without disclosure.
27. There have been some public comments proposing reporting levels strictly between this proposal and the current law. For instance, lobbyists might be required to propose that they'd contacted Council District 13 but not disclose who in particular they'd

contacted. I think this kind of proposal would be worse than useless. It can't possibly be less work to disclose this information than it would be to disclose actual names and yet the information revealed would be almost as inadequate as it is now.

## 1.8 Position taken on issues

28. I support this proposal for precisely the reasons given in the staff report. I heard at least one public comment claiming that, as above in [Paragraph 26](#), members of the public who are interested in a given issue will know from exposure what positions various lobbying entities are taking. As above, though, this ignores the fact that many, perhaps most, City matters are settled without public hearings of any kind. If members of the public are to be able to track who's attempting to influence and how they're attempting, disclosure of precisely this kind is needed.

## 2 Other considerations

### 2.1 Of what use is disclosure information?

#### 2.1.1 In the present

29. I've discussed the immediate utility of disclosed information above in some detail. Some of the important uses are:
  - (a) To allow tracking of lobbying and City officials' responses to it via CPRA.
  - (b) To allow members of the public to respond to positions taken by lobbyists before the matters being lobbied are settled.
  - (c) To allow more detailed analyses of the effects of lobbying on City decision-making.
  - (d) To track the level of compliance with government ethics and lobbying laws.

#### 2.1.2 In the future

30. One important use for lobbying disclosure information that I have not seen discussed is that it constitutes a unique and irreplaceable source of data on how politics works in the City of Los Angeles. Detailed disclosures of the kind proposed here will help preserve an often neglected aspect of the history of Los Angeles in a manner befitting the dignity and importance of our City on the world stage.
31. The extent to which lobbying can, does, and should affect government decisions has been debated in the United States at least since 18<sup>th</sup> Century discussions on "Factions." It's a legitimate subject of scholarly interest and this essential part of the history of our City should be preserved, rather than oublietted to serve the short-sighted convenience of our politicians and those who attempt to influence them. The proposed disclosure requirements will support this important goal.

## 2.2 Regulation of lobbying does not malign lobbying

32. In various discussions on the matter I've heard a number of comments to the effect that the proposed revisions to the MLO imply that there's something wrong or dangerous about lobbying. Perhaps the argument is that if lobbying weren't bad it wouldn't need to be regulated?
33. Whatever the reasoning might be, I don't think this argument has much force. The state of California and every other jurisdiction in this country regulates and oversees various professions by imposing licensing requirements, standards of professional conduct, disclosure requirements, disciplinary boards, and so on. This is true not only of lobbyists in Los Angeles, but doctors, lawyers, tattoo artists, massage therapists, psychologists, and many other trades. The fact that these trades are subject to some regulation surely doesn't reflect anyone's judgment that there's something wrong with them. Instead it's related to the sensitivity of the areas in which the trades or professions are practiced. The same is true of lobbying.
34. Irrespective of that, and without meaning to seem insensitive, even if the thought of being regulated somewhat hurts the *amour propre* of our local "regulated community," that's surely not a reason not to have regulations.<sup>6</sup>

## 2.3 Los Angeles lobbying entities can survive this proposal

35. It's a theme in the public comments heard so far on this MLO revision proposal that more stringent disclosure requirements have the potential to "regulate lobbyists out of business." It has also been argued that some of the proposals would be too expensive to implement or use too much staff time to comply with. I don't think those are serious dangers, though.
36. First note that the proposed disclosure frequency and deadlines fall somewhere in the middle of the corresponding time-frames used in other jurisdictions, as outlined in the staff report. Similarly, the proposal to require detailed disclosure of contacts is not novel either.
37. Lobbyists around the country, and even around the state of California, are subject to more stringent disclosure requirements than are proposed here, and they don't seem to be declaring bankruptcy en masse. Because of the size of our population and the size of our economy, the value of City matters lobbied for in Los Angeles almost certainly outweighs the value in other jurisdictions. If lobbyists in smaller Cities, e.g. San José or San Francisco, can deal financially with detailed disclosure of contacts along with reporting frequency and deadlines on the same order of magnitude as those proposed here, it's hard to imagine that lobbyists in Los Angeles cannot do so as well.

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<sup>6</sup> The principle that the regulation of lobbying is necessary for the proper functioning of the City of Los Angeles is already well-accepted and all of us, as adults, have, I suppose, had to accommodate ourselves to the fact that our feelings might not be the most important consideration in collective decision-making.

38. If the amount of money required to comply with new regulations along the lines of those proposed here isn't enough to drive lobbyists out of business then, if it's true that compliance will require additional staff time, there will be enough money to hire additional staff. As noted, if lobbyists in other jurisdictions can afford sufficient staffing to comply with similar laws, there's no reason why lobbyists in Los Angeles cannot also do so.
39. Finally, the present reporting system has a lot of inefficiencies which, if eliminated, would free up resources for compliance with the new proposals. Some of these are already being discussed, e.g. providing pre-populated disclosure and registration forms. Others are easy to imagine, such as app-based tracking of contacts with City officials, and so on.

### 3 Exhibits

**3.1 Exhibit 1 – DLANC PLUM Committee agenda August 2017**



# PLANNING AND LAND USE COMMITTEE AGENDA

**Meeting Date:** August 15, 2017

**Meeting Time:** 6:30pm

**Meeting Location:** City National Plaza Underground Food Court 505 S. Flower St. Suite B530 Los Angeles, CA 90071

**Contact:** scott.bytof@dlanc.com for more information

1) Call to Order / Roll Call

Scott Bytof - Chair	
Patti Berman	
Robert Newman	
Nate Cormier	
Beverly Christiansen	
Michael Delajani	
Simon Ha	
John Swartz	
Lauren Mishkind	
Quinn Tang	

2) Committee Member Introductions

3) Approve Minutes from 7/18/17

4) Report on 8/8/17 DLANC Board Meeting concerning items presented by PLUC – 655 S. San Pedro St and 656-660 S. Stanford Ave pulled for debate and passed.

5) Declarations of Ex Parte communications

6) Open Committee Seat

7) General Public Comment - Public comment on Non-Agenda Items within the board's subject matter. Speakers are asked to fill out a public comment card. Public comments are limited to two minutes per speaker with a total time of ten minutes. (These parameters may be changed by the chair, depending on number of speakers and time considerations.)

8) Committee Member Comments

9) Old Business: None

10) New Business

- a) **Presentation by:** Sara Haughton/[REDACTED]  
**Case Number:** ZA-2017-2206-CUB, ENV-2017-2207-CE  
**Project Location:** 2121 E. 7<sup>th</sup> Place, Los Angeles, CA 90021

**Project Description Request:** Pursuant to LAMC 12.24 W.1. A request for Conditional use Permit to allow the continued sale and dispensing of a full line of alcohol in conjunction w/an existing 2,923 SF restaurant with one fixed bar, 108 indoor seats, a 763 SF uncovered patio w/34 seats, a 524 SF covered patio in the public right-of-way w/32 seats & hours of operation from 7 AM-2AM, daily with live entertainment in the M3-1-RIO Zone. Related Case No. ZA-2011-3215(CUB).

**Recommended action:** To be determined

- b) **Presentation by:** Brett Engstrom/[REDACTED]  
**Case Number:** ENV-2017-2460-CE, ZA-2017-2459-MPA  
**Project Location:** 700 W. 7<sup>th</sup> St., Los Angeles, CA 90017  
**Project Description Request:** Sale of alcoholic beverages for on-site consumption in conjunction with a new full service restaurant within "The BLOC" development. Interior is 2,000 s.f. with 66 seats, and a 285 s.f. patio with 24 seats.

Per LAMC 12.24-M, Plan Approval (Under ZA 2014-1149 MCUP) to allow the sale of alcoholic beverages for on-site consumption in conjunction with the operation of a new restaurant in a C2-4D zone. Interior seating for 66, patio seating for 24. Hours of operation 8am-2am daily.

**Recommended action:** To be determined

- c) **Presentation by:** Valerie Sacks/[REDACTED]  
**Case Number:** ENV-2017-1794-CE, ZA-2017-1793-CUB  
**Project Location:** 420 East 3<sup>rd</sup> Street Los Angeles, CA 90013  
**Project Description Request:** CUB for sale of a full line of alcohol at a 53-seat, 1036 sf restaurant & a Master CUB for up to 5 restaurant w/b&w svc in 6184 sf area w up to 122 seats inside + 22 seats on a 603 sf patio, 7823 sf & up to 197 seats total.

Pursuant to LAMC 12.24-W,1. CUB for sale of a full line of alcohol in conjunction w/a 53-seat, 1036 sf restaurant; a Master CUB for sale of beer & wine (up to 5 licenses) in conjunction w/a 6184 sf food hall w/up to 6 operators & up to 6 operators & up to 175 seats total (122 B&W only), w/an add'l 22 seats on 603 sf patio, all open 10am-1am daily.

From Attachment A:

Pursuant to L.A.M.C. Section 12.24 W1, the Applicant, 420 Food Hall, LLC dba 420 Food Hall ("420 Food Hall" or "The Applicant"), is seeking a Conditional Use Permit for alcohol service in connection with restaurant uses in an approximately 7,823 s.f. ground floor space (7,220 inside plus a 603 s.f. patio) with 197 seats overall, all in an existing 10 story office building located in the M2-2D-O-zone at 420 3<sup>rd</sup> Street in the Little Tokyo area of Downtown Los Angeles ("Site"). The request is for a CUP pursuant to L.A.M.C. 12.24W1 to approve up to 6 restaurant concepts as follows:

- Up to 5 restaurants with service of beer and wine for on site consumption pursuant to a type 41 ABC license in a shared 6,787 s.f. food court space, including up to 122 seats in a shared interior area 6,184 s.f. in size, and up to 122 seats in a shared interior area 6,184 s.f. in size, and up to 22 seats on a 603 s.f. patio; and

- One restaurant with the service of a full line of alcoholic beverages for on-site consumption (type 47 ABC license) in a segregated 1,036 s.f. portion of the 7,220 s.f. interior food court containing up to 53 patron seats.

**Recommended action:** To be determined

- d) **Presentation by:** Elizabeth Peterson [REDACTED]  
**Case Number:** ENV-2017-2830-EAF, ZA-2017-2829-MCUP  
**Project Location:** 1023-1043 S. Broadway Street Los Angeles, CA 90015  
**Project Description Request:** Convert existing ground floor commercial space into two restaurants with on-site consumption of a full-line of alcohol and one one restaurant/market with both on-site and off-site consumption of full line, with 643 total seats.

Pursuant to LAMC 12.24-W,1. A MCUP for a full-line alcohol for 2 restaurants with on-site consumption and one restaurant/market with both on-site & off-site consumption, totaling 15,995 sf interior and 642 sf outdoor patio space with a total 559 interior seats and 84 patio seats. Hours of operation 8am-2am, daily.

**Recommended action:** To be determined

- e) **Presentation by:** Elizabeth Peterson/ Elizabeth Peterson [REDACTED]  
**Case Number:** ZA-2017-2378-MPA, ENV-2017-2379-CE  
**Project Location:** 940 S. Figueroa St., Los Angeles, CA 90015  
**Project Description Request:** A Plan Approval to permit the on-site sale and dispensing of a full line of alcoholic beverages with live entertainment, public dancing, and restaurant service in four venues in conjunction with approved case ZA-2013-2284(MCUP).

Pursuant to LAMC 12.24-W,1. The applicant is requesting a Plan Approval to allow the sale and dispensing of a full-line of alcoholic beverages for on-site consumption in conjunction with previously approved case ZA-2013-2284(MCUP), in conjunction with an existing 72,627 sf theater with restaurant, cultural, and event spaces located at 940 S. Figueroa with hours of operation from 11 AM-2AM, daily.

Pursuant to LAMC 12.24-W, 18. The applicant is requesting a Plan Approval to allow for dancing and live entertainment in conjunction with previously approved case ZA-2013-2284(MCUP).

**Recommended action:** To be determined

- f) **Presentation by:** Michael Pauls/[REDACTED]  
**Case Number:** ZA-2017-1933-CUB  
**Project Location:** 1234 Wilshire Blvd., Los Angeles, CA 90017  
**Project Description Request:** Conditional Use to allow the sale of limited beer and wine for off site consumption, in conjunction with the operation of a proposed 7-Eleven food store.

Pursuant to LAMC 12.24-W,1. A request to permit the sale of limited beer and wine for off-site consumption in conjunction with the operation of a proposed 7-Eleven food store.

**Recommended action:** To be determined

- 11) Arts District Live/Work Ordinance and Hybrid Industrial Ordinance Update
- 12) Mapping Update
- 13) DLANC PLUC Monthly Schedule July-September, 2017
- 14) Community Plan Update
- 15) Committee Member Comments and Announcements
- 16) Next Meeting: 9/19/17 – Chair will be absent
- 17) Adjourn

PUBLIC INPUT AT NEIGHBORHOOD COUNCIL MEETINGS: The public is requested to fill out a "Speaker Card" to address the [committee] on any agenda item before the committee takes an action on an item. Comments from the public on agenda items will be heard only when the respective item is being considered. Comments from the public on other matters not appearing on the agenda that are within the committee's jurisdiction will be heard during the General Public Comment period. Please note that under the Brown Act, the committee is prevented from acting on a matter that you bring to its attention during the General Public Comment period; however, the issue raised by a member of the public may become the subject of a future committee meeting. Public comment is limited to 2 minutes per speaker, unless adjusted by the presiding officer.

POSTING: In compliance with Government Code section 54957.5, non-exempt writings that are distributed to a majority or all of the board members in advance of a meeting may be viewed on our website by clicking on the following link: [www.dlanc.com](http://www.dlanc.com) <http://www.dlanc.com> , or at the scheduled meeting. In addition, if you would like a copy of any record related to an item on the agenda, please download from our website. You can also receive our agendas via email by subscribing to L.A. City's Early Notification System at: <https://www.lacity.org/city-government/subscribe-meeting-agendas-and-more/neighborhood-councils> .

RECONSIDERATION AND GRIEVANCE PROCESS: For information on the DLANC's process for board action reconsideration, stakeholder grievance policy, or any other procedural matters related to this Council, please consult the DLANC Bylaws. The Bylaws are available at our Board meetings and our website [www.dlanc.com](http://www.dlanc.com) <http://www.dlanc.com> .

DISABILITY POLICY: The Downtown Neighborhood Council complies with Title II of the Americans with Disabilities Act and does not discriminate on the basis of any disability. Upon request, the Venice Neighborhood Council will provide reasonable accommodations to ensure equal access to its programs, services, and activities. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability of services, please make your request at least 3 business days prior to the meeting you wish to attend by contacting the Department of Neighborhood Empowerment at 213-485-1360 or email [ncsupport@lacity.org](mailto:ncsupport@lacity.org) .

### 3.2 Exhibit 2 – San Francisco lobbyist filing with detailed contact reports



## Lobbyist Activity Details



**Karin Flood**

Next Quarter

Activity Summary for 1st Quarter 2017

Firm or Employer	Union Square Bid
Activity Expenses	\$0.00
Contacts of Public Officials	13 Reported Contacts
Political Contributions	\$500.00
Payments Promised by Clients	\$572.63

### Client List

Client	Business Address	Business Phone
Union Square Business Improvement District	[REDACTED]	[REDACTED]

### Activity Expenses this Quarter

No Activity Expenses reported for this period.

### Political Contributions this Quarter

Date	Amount	Committee	Candidate	Fund Source
1/18/2017	\$500.00	Ahsha Safai For District 11 Supervisor-2016	Safai, Ahsha	Flood, Karin

### Contacts of Public Officials this Quarter

#### Directories

Individual Lobbyists

Lobbyist Clients

Lobbying Firms and Employers

Contacted Public Officials

Lobbying Subject Areas

All Lobbyist Filings

#### Transactions

Activity Expenses

Political Contributions

Contacts of Public Officials

Payments Promised by Clients

Date	Public Official	Client	Subject Area	Issue
1/12/2017	Maguire, Tom	Union Square Business Improvement District	Public Works	Lower Stockton Street Improvement
1/15/2017	Peskin, Aaron	Union Square Business Improvement District	Public Works	Lower Stockton Street Improvement
1/18/2017	Peskin, Aaron	Union Square Business Improvement District	Public Works	Lower Stockton Street Improvement
1/26/2017	Peskin, Aaron	Union Square Business Improvement District	Public Works	Lower Stockton Street Improvement
2/2/2017	Kositsky, Dept Homelessness And Supportive Housing, Jeff	Union Square Business Improvement District	Social Services	Outreach And Homelessness Prevention
2/9/2017	Peskin, Aaron	Union Square Business Improvement District	Planning and Building Permits	Revocation Of Abandoned Flower Stand - 250 Post St
2/14/2017	Peskin, Aaron	Union Square Business Improvement District	Planning and Building Permits	Revocation Of Abandoned Flower Stand - 250 Post St
2/21/2017	Nuru, Mohammed	Union Square Business Improvement District	Public Works	Holiday Closure And Amenities - Lower Stockton Street
2/21/2017	Reiskin, Ed	Union Square Business Improvement District	Public Works	Holiday Closure And Amenities - Lower Stockton Street
2/22/2017	Scott, William	Union Square Business Improvement District	Public Safety	Additional Union Square Safety

2/23/2017	Peskin, Aaron	Union Square Business Improvement District	Planning and Building Permits	Revocation Of Abandoned Flower Stand - 250 Post St
3/6/2017	Peskin, Aaron	Union Square Business Improvement District	Planning and Building Permits	Revocation Of Abandoned Flower Stand - 250 Post St
3/20/2017	Peskin, Aaron	Union Square Business Improvement District	Planning and Building Permits	Revocation Of Abandoned Flower Stand - 250 Post St

### Payments Promised by Clients this Quarter

Date	Amount	Client
1/31/2017	\$137.43	Union Square Business Improvement District
2/28/2017	\$389.39	Union Square Business Improvement District
3/31/2017	\$45.81	Union Square Business Improvement District

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Ethics Policy <ethics.policy@lacity .org>

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## Suggestion

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Brandi D'Amore [REDACTED]  
To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Mon, Sep 18, 2017 at 7:27 PM

Hi. Just a reminder. I asked if there could be requirements that lobbyists must identify themselves as such when attending and participating. Additionally, if possible, that participation should occur after an adequate time that members can review the organization for which they lobby.

Thank you!

Brandi A. D'Amore  
At-Large Unclassified Representative, Area 3  
Board of Directors  
Hollywood United Neighborhood Council  
HUNC  
Certified Neighborhood Council, #52



Ethics Policy &lt;ethics.policy@lacity.org&gt;

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## In Support Of Proposed Changes To LAMC §48.08(B)(12)

1 message

Hayk Makhmuryan <[REDACTED]>  
 Reply-To: Hayk Makhmuryan <[REDACTED]>  
 To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Mon, Sep 18, 2017 at 1:40 PM

Hayk Makhmuryan  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]

September 17th, 2017

VIA EMAIL – [ethics.policy@lacity.org](mailto:ethics.policy@lacity.org)

City Ethics Commission  
 200 N Spring St 2410  
 Los Angeles, CA 90012

RE: In support of proposed changes to the Los Angeles Municipal Lobbying Ordinance  
[LAMC §48.08\(B\)\(12\)](#)

Members of the City Ethics Commission,

My name is Hayk Makhmuryan and I work in the City of Los Angeles, and am a stakeholder in Downtown LA and Skid Row neighborhood. I respectfully ask that my letter and its contents be included in this case file and also in the staff report for the October 17<sup>th</sup> hearing. Please see my comments below.

I have been an active part of the organizing efforts of Skid Row residents to form their own neighborhood council. Shortly after their election on April 6<sup>th</sup> 2017, the blog [michaelkohlhaas.org](http://michaelkohlhaas.org) reported that several lobbyists were hired by an anonymous Delaware-established LLC to influence members of the City Council to make last-minute changes to their election for the purpose of suppressing mainly low-income and African-American voters Downtown.

“It’s quite plausible that a more timely disclosure of this information would have changed the outcome of the election.” - [michaelkohlhaas.org](http://michaelkohlhaas.org) August 19<sup>th</sup>, 2017

As an active member of the Skid Row Neighborhood Council Formation Committee, I personally witnessed the following events unfold:

1) Online voting for our Skid Row Neighborhood Council formation elections was pushed through the City Hall only two weeks before the elections, as a one-time exception to an existing suspension of online voting, pending further review and improvements. By the time the Department of Neighborhood Empowerment communicated the parameters of the voting process, more days passed, giving very inadequate time for proper outreach. We came to find out lobbyists were paid to push online voting for our election.

2) Online voting disproportionately disadvantaged low-income and extremely low-income residents in the Skid Row community, especially folks who are homeless, because of the digital divide, meaning a lot less access to internet and a lot less familiarity with digital technologies as compared to higher income stakeholders across downtown LA. In other words, pushing through online voting was a planned and deliberate action to suppress the votes and marginalize low-income folks, and those who pushed it through paid the lobbyists to influence our election.

Therefore, I support the below changes to the Los Angeles Municipal Lobbying Ordinance:

- Detailed reporting of contacts including names and titles of City officials influenced.
- Bimonthly reporting of lobbying activity rather than quarterly.
- Compensation-based requirement for registration rather than time-based.
- Ten day deadline for reporting rather than the month that's now required.

Thank you for your consideration,

Hayk Makhmuryan

--

Hayk Makhmuryan  
Advocate for Strengthening Communities Through Arts

[REDACTED]

[REDACTED]

equitable access to arts, cultural, and social spaces is a fundamental human right

THE SUTTON LAW FIRM

September 26, 2017

VIA EMAIL & U.S. MAIL

Jessica Levinson, President  
Los Angeles City Ethics Commission  
200 North Spring Street  
City Hall, 24th Floor  
Los Angeles, CA 90012

RE: Additional Public Comments Regarding Staff's Proposed Changes  
to Municipal Lobbying Ordinance

Dear Ms. Levinson:

Thank you very much for having the City Ethics Commission's staff hold "interested persons" meetings to gather additional feedback from the public about the proposed changes to the City's Municipal Lobbying Ordinance. As you are probably aware, the meetings were well attended by a wide range of stakeholders, including lobbyists, nonprofit organizations, the business community, City Hall watchdogs, and others. The meetings were also attended by several individuals who are responsible for preparing and filing lobbying reports for their organizations; these individuals echoed the concerns raised at last month's Commission meeting – that the staff's proposal is unrealistic and unreasonable.

For your convenience, attached is a summary of the major points that we believe were raised at the interested persons meetings. Although attendees supported the general policy of transparency, the comments, in our opinion, were universally critical of the proposal. The overarching theme was that the proposed reporting requirements are far too burdensome on lobbying entities and will not provide useful information to the public. Participants were also critical of the "one-size fits all" nature of the proposal, when the reality is that different types of lobbying entities conduct and fund their lobbying activities in very different ways. We therefore trust that the revised proposal will eliminate the unnecessary reporting questions, apply different registration thresholds for lobbying firms, nonprofits and indirect lobbyists, and better balance more frequent disclosure with the burdens placed on those who lobby.

Thank you again for your attention to this important matter, and we look forward to discussing the proposal further with the Commissioners at the October 17<sup>th</sup> Commission meeting.

Sincerely,

  
James R. Sutton

cc: Arman Tarzi (via email only)  
Attachment  
JRS/lc  
#1072.02

## **Public Comments from 9/7/17 and 9/13/17 Interested Persons Meetings Regarding Proposed Changes to Municipal Lobbying Ordinance**

(as recorded by the Sutton Law Firm on behalf of the Los Angeles Lobbyist Association)

The major points raised at the City Ethics Commission's interested persons meetings were:

1. City of Los Angeles lobbying reports are much more burdensome than those required by other jurisdictions. Complying with the City of Los Angeles' lobbying disclosure laws is particularly burdensome, and preparing City of Los Angeles lobbying reports takes 3 to 4 times longer than preparing lobbying reports in other jurisdictions.

2. With more frequent reporting, lobbying reports should be shorter and less burdensome. Requiring bi-monthly reporting, as opposed to quarterly reporting, is not terribly burdensome (6 reports a year, instead of 4), so long as the amount of information required is reduced and adequate time is given to prepare the report.

3. 10 days is not enough time to prepare reports. The proposed 10-day turnaround for completing lobbying reports is impracticable and will lead to less compliance, not more, especially given the increased information being requested. If the Commission is of the opinion that a 30-day turnaround time is too long, than perhaps 20 days would be a reasonable compromise.

4. Lobbyists should not be required to report dates of contacts with City officials or titles of City officials contacted. It would be much too onerous to require lobbyists to keep track of each and every separate contact they have with City officials on an ongoing basis, and the information could never be accurate. Such a requirement would therefore expose lobbying entities to unfair and burdensome enforcement actions. Listing City agencies contacted provides adequate information to the public about lobbying activities; the Commission should expand the list of divisions and bureaus within City agencies in order to provide more detailed information about lobbying.

5. "Chilling effect" on communications with City officials. Expanding reporting requirements and increasing penalties will have a "chilling effect" on individuals and organizations which would like to provide information to City Hall decision-makers, thereby adversely affecting public policy, as well as infringing on First Amendment rights to "petition the government for the redress of grievances." The proposal does not do a good job of balancing the perceived need for more frequent disclosure with the burden placed on the regulated community and the harm to the government decision-making process.

6. The Commission should focus more on non-filers. The Commission should place more emphasis on requiring those who are engaging in reportable lobbying – but not filing reports – to comply with the lobbying laws. Many of these non-filers are 501(c)(3) or (c)(6) organizations, neighborhood groups, and labor union-related groups.

7. A “one-size fits all” approach does not work for registration thresholds. The proposed law uses the same \$5,000 per year registration threshold for lobbyists, lobbyist employers, indirect lobbying entities, and nonprofits, even though the individuals who work at these organizations conduct their activities in very different ways. Following the lead of several other jurisdictions, the law should base lobbyist registration on the number of contacts which the individual has with City officials about a pending or proposed City matter; it will be much easier for both the regulated community and the enforcement staff to determine whether someone has had the requisite number of contacts (i.e., by counting emails sent to/received from City officials) rather than by estimating the amount of money spent or earned engaging in lobbying activities.

8. A compensation test for in-house employees does not make sense. Using a compensation test to determine if an in-house employee of a business or nonprofit qualifies as a lobbyist is inequitable and contrary to most other California jurisdictions. It would turn higher-paid executive directors and CEOs into lobbyists based on a very small amount of time spent on lobbying activities. Although staff has said it is not their goal to increase the number of in-house employees who qualify as lobbyists, basing registration on whether an employee has earned \$5,000 or more in a year for City lobbying will significantly increase the number of organizations which qualify.

9. A “one-size fits all” approach does not work for reporting requirements. The proposed law imposes identical filing requirements on lobbyists, lobbying firms, lobbyist employers, indirect lobbying entities, and nonprofits, even though the activities and structure of these organizations are very different. The law should tailor reporting requirements to each type of lobbying entity, as other lobbying laws do.

10. The new ordinance should eliminate extraneous reporting questions. Requiring the disclosure of extraneous information such as political contributions, “other expenses,” salary payments to lobbying firms’ employees, etc. makes the reporting process unnecessarily burdensome, does not provide the public with useful information, and leads to many questions being left blank.

11. Filing requirements for “Major Filers” should be clarified rather than expanded. The proposed definition of “indirect lobbying” is much too broad and would

encompass organizations which are conducting studies and educating the public on public policy issues. The definition should clarify that expenses are only reportable when the organizations encourage citizens to contact City officials about a pending or proposed matter (i.e., “grassroots lobbying”). The proposed \$5,000 per year threshold is much too low, and the proposed continuous, expanding reporting requirements are not necessary for organizations which do not have registered lobbyists on an ongoing basis.

12. Small nonprofits should be exempt from the lobbying ordinance. Small nonprofits should be exempt from lobbyist reporting because of the burden it places on their staff, because the lobbying law should focus on moneyed interests, and because it runs counter to efforts to empower low-income citizens to participate in the civic process.

13. Land use lobbying should be treated differently from other kinds of lobbying. Advocating for land use entitlements is very different from engaging in other types of lobbying, and therefore the definitions, exemptions, and registration and reporting requirements should be different. Many land use attorneys/lobbyists end up grossly over-reporting their lobbying earnings in an abundance of caution, and this distorts the process and misinforms the public. Perhaps there should be a separate interested persons meeting to discuss land use lobbying and its unique aspects.

14. Real estate project opponents often fail to comply with registration rules. There is an unfairness and a lack of parity as between those who lobby for property owners seeking to develop their property (who, for the most part, comply with the lobbying laws) and project opponents (many of whom do not comply with the lobbying laws). This lack of fairness is even more apparent when an attorney works for free for project opponents, only to be handsomely rewarded once litigation commences and then settles, with fees being paid to the attorney.

15. Including a “private attorney general” enforcement provision is bad policy. The private attorney general enforcement provision is a recipe for political mischief and retaliation. This private prosecution tool is not necessary because the Commission has a dedicated staff which actively enforces the laws. Expanding the private attorney general provisions to the lobbying context would favor parties who have the resources to hire attorneys to pursue their opponents, and is likely to result in unintended and undesired consequences.



The voice for California's nonprofit community.

www.calnonprofits.org



October 10, 2017

Los Angeles City Ethics Commission  
200 North Spring Street  
City Hall, 24th Floor  
Los Angeles, CA 90012

Dear City Ethics Commissioners,

Thank you for this opportunity to comment on the City Ethics Commission's review of the Los Angeles Municipal Lobbying Ordinance (MLO), and for hosting an interested persons meeting focusing on input from the nonprofit community.

California Association of Nonprofits (CalNonprofits) is a statewide policy alliance of more than 10,000 organizations representing and promoting California's nonprofit sector. In the City of Los Angeles alone, there are more than 6,000 501(c)(3) organizations (not including religious congregations). Many of these are small, grassroots organizations, with diverse missions, ranging from homeless shelters and food pantries, immigrant service groups, after-school programs and more.

Nonprofits are tightly regulated at all levels of government, a fact that sometimes goes unnoticed. For instance, there are federal rules that already specifically limit the type and amount of lobbying a nonprofit 501(c)(3) organization can do, and this must be tracked and reported to the IRS. In fact, recognizing how complex and challenging the various rules can be, CalNonprofits has a webpage dedicated to helping nonprofits stay in compliance with the array of state, federal and local rules that may impact them.

Unfortunately, the proposed new language for the LA MLO would make it more complicated for nonprofits to engage in advocacy, since it contains new administrative burdens, such as expanded registration and reporting requirements, and risk of litigation for nonprofits. This could have the effect of deterring nonprofits from engaging in advocacy that could benefit the communities they serve, at a time when advocacy is needed more than ever. In a survey that CalNonprofits conducted of over 800 nonprofits in March 2017, "Government in Transition; Nonprofits in Transition," we found that two-thirds of respondents were experiencing increased levels of staff anxiety since the election, with concern about the impact on immigrants voiced with particular urgency, and 65% who received government funding said they anticipate less funding in the next 12 months.

Therefore, CalNonprofits urges the Commission to address the following concerns that we and other nonprofits have raised regarding proposed changes to the MLO.

**The proposed 501(c)(3) exemption is very narrow and unclear.** A blanket exemption for 501(c)(3) organizations is both the easiest to administer and clearest for nonprofits advocating in the City. Such an exemption would read:

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

Alternatively, if the Commission is unable to recommend a blanket exemption for 501(c)(3) organizations, we believe that the language below strikes an appropriate balance between increased disclosure and reducing burdens on organizations advocating on behalf of underserved communities.

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that:

1. Provides assistance, such as food, clothing, shelter, child care, health, legal, vocational, relief, educational, and other similar assistance to disadvantaged people for free or at a below-market rate;
2. Engages disadvantaged or underrepresented people in City decision-making or promotes building healthy communities; OR
3. Has gross receipts of less than \$2.5 million.

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

**Proposals for "indirect lobbyists" would disproportionately burden nonprofit organizations.** 501(c)(3) organizations in Los Angeles often educate community residents on pending City matters, inform them of opportunities to comment, and are a trusted source of information on how policy proposals could impact communities. In these activities, organizations may be interested in empowering the public and not communicating with City officials directly. Still, under proposals for "indirect lobbyists", these organizations may have to register, file regular reports, and pay a \$450 registration fee, even if they never communicate with City officials. The threshold for reporting would also be significantly reduced from current thresholds, from \$5,000 in a calendar quarter to \$5,000 in a calendar year. These proposals would chill advocacy that is meant to engage City residents in the voicing their concerns to decision-makers on issues that affect their lives. The threshold for reporting as an "indirect lobbyist" should remain the same as it currently is for Major Filers, and reporting should remain on a quarterly basis to be consistent with state and other reporting regimes to reduce administrative burdens.

**The proposal for a private right of action could expose nonprofit organizations to harassment from moneyed interests.** Allowing private individuals to sue people who fail to register and report properly could open up smaller nonprofits and others with controversial or unpopular ideas to harassment through expensive or even frivolous lawsuits by moneyed interests. This would discourage groups that may not have the resources to hire a law firm to either file regular lobbying reports or defend the nonprofits from lawsuits. In turn, City officials may not hear much-needed perspectives during policy debates. The proposed language in Sec.

48.11B1 which allows any “person residing within the City” to bring a civil action, and in Sec. 48.11(B)(4) which would allow a private plaintiff to receive 50 percent of a judgment should be struck from the proposal.

Further, it is important to note that most nonprofits do not have in-house lobbyists or advocates, in-house legal counsel, or even finance or accounting departments. It is difficult enough to raise funds to carry out their core work to serve their communities, who are often marginalized and underrepresented. More complex and burdensome lobbying rules will force these community-based organizations to back off from engaging in advocacy if the costs become prohibitive. This would be an enormous loss for all of us in the City of Los Angeles, because we would be denied input on key policy issues from on-the-ground, trusted and engaged community members.

We urge the Commission to balance the need for information on lobbying with the reality of limited resources and expertise in the nonprofit sector.

Sincerely,

A solid black rectangular redaction box covering the signature of Nancy Berlin.

Nancy Berlin  
Policy Director



October 10, 2017

Dear City Ethics Commissioners,

Thank you for this opportunity to comment on the City Ethics Commission's review of the Los Angeles Municipal Lobbying Ordinance (MLO), and for hosting an interested persons meeting focusing on input from the nonprofit community.

SAJE is a small nonprofit in South Los Angeles that focuses on tenant rights, healthy housing, and equitable development. We have been serving very low income tenants for over twenty years. We do some lobbying to support efforts for equity in South LA. We are currently exempt from reporting requirements around lobbying but many of our partners in this work are nonprofits who are not exempt. Restrictions that have a chilling effect on these larger organizations will leave organizations like SAJE facing enormous pressure to lobby more than we really have the resources to do, and could pull resources away from our vital direct service work.

While the proposed new language for the LA MLO is well-intentioned, it results in new administrative burdens, such as expanded registration and reporting requirements, and risk of litigation for nonprofits. When engaging in advocacy, 501(c)(3) nonprofits are already running the race with a piano on their backs, because unlike any other kind of organization, they are limited in the amount of lobbying they can do, they have to track and report lobbying under IRS definitions, and they are prohibited from supporting or opposing candidates for office. These restrictions mean that the risk of corruption and the need for transparency are different when applied to 501(c)(3)s. Imposing additional burdens has a real risk of chilling legitimate advocacy by nonprofits, at the worst possible time when threats and new realities at all levels of government necessitate acting locally to strengthen marginalized communities. For example, local nonprofits may reasonably conclude that City policies can protect and defend immigrant communities in Los Angeles that are under attack. But a nonprofit may also, by financial necessity, conclude that compliance with increasingly complex lobbying disclosure rules is too expensive, and decide not to engage community residents on City matters or weigh in themselves, to the detriment of underserved communities throughout the City of Los Angeles.

We encourage the Commission to address the following concerns that we and other nonprofits have raised regarding proposed changes to the MLO:

1. The proposed 501(c)(3) exemption is very narrow and unclear. A blanket exemption for 501(c)(3)s is both the easiest to administer and clearest for nonprofits advocating in the City. Such an exemption would read:

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

Alternatively, if the Commission is unable to recommend a blanket exemption for 501(c)(3)s, we believe that the language below strikes an appropriate balance between increased disclosure and reducing burdens on organizations advocating on behalf of underserved communities.

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that:

1. Provides assistance, such as food, clothing, shelter, child care, health, legal, vocational, relief, educational, and other similar assistance to disadvantaged people for free or at a below-market rate;
2. Engages disadvantaged or underrepresented people in City decision-making or promotes building healthy communities; OR
3. Has gross receipts of less than \$2.5 million.

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

2. Proposals for "indirect lobbyists" would disproportionately burden nonprofit organizations. 501(c)(3)s in Los Angeles often educate community residents on pending City matters, inform them of opportunities to comment, and are a trusted source of information on how policy proposals could impact communities. In these activities, organizations may be interested in empowering the public and not communicating with City officials directly. Still, under proposals for "indirect lobbyists", these organizations may have to register, file regular reports, and pay a \$450 registration fee, even if they never communicate with City officials. The threshold for reporting would also be significantly reduced

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from current thresholds, from \$5,000 in a calendar quarter to \$5,000 in a calendar year. These proposals would chill advocacy that is meant to engage City residents in the decisionmaking that affects their lives. The threshold for reporting as an “indirect lobbyist” should remain the same as it currently is for Major Filers, and reporting should remain on a quarterly basis to be consistent with state and other reporting regimes to reduce administrative burdens.

3. The proposal for a private right of action could expose nonprofit organizations to harassment from moneyed interests. Allowing private individuals to sue people who fail to register and report properly could open up smaller nonprofits and others with controversial or unpopular ideas to harassment through expensive or even frivolous lawsuits by moneyed interests. This would discourage groups that may not have the resources to hire a law firm to either file regular lobbying reports or defend the nonprofits from lawsuits. In turn, City officials may not hear much-needed perspectives during policy debates. The proposed language in Sec. 48.11B1 which allows any “person residing within the City” to bring a civil action, and in Sec. 48.11(B)(4) which would allow a private plaintiff to receive 50 percent of a judgment should be struck from the proposal.

As the Commission moves forward with its review of the MLO, we encourage it to keep in mind that for most 501(c)(3) organizations, compliance with the City’s complex lobbying disclosure rules is a new experience. Serving low-income, underrepresented, and marginalized communities is the bottom line for the nonprofit community, and rules that will make that more expensive, complex, and risky will mean these people will participate less in City decisionmaking. As such, we urge the Commission to balance the need for information on lobbying with the reality of limited resources and expertise in the nonprofit sector.

Thank you again for offering this opportunity to address the Commission on its review of the MLO.

Sincerely,

A large black rectangular redaction box covering the signature area.

Cynthia Strathmann

Executive Director, SAJE



ASIAN AMERICANS  
**ADVANCING  
JUSTICE**  
LOS ANGELES

October 10, 2017

Los Angeles Ethics Commission  
Via email: [ethics.policy@lacity.org](mailto:ethics.policy@lacity.org)

**Re: Municipal Lobbying Ordinance - Nonprofit Exemption**

Dear City Ethics Commissioners,

Thank you for this opportunity to comment on the City Ethics Commission's review of the Los Angeles Municipal Lobbying Ordinance (MLO). Asian Americans Advancing Justice – LA is the leading organization in Southern California dedicated to providing legal services to and advocating for civil rights on behalf of Asian American, Native Hawaiian and Pacific Islander communities. We advocate for policy changes at all levels of government.

While the proposed new language for the LA MLO is well-intentioned, it results in new administrative burdens, such as expanded registration and reporting requirements, and risk of litigation for nonprofits. When engaging in advocacy, 501(c)(3) nonprofits are already in the amount and type of advocacy we do. Unlike any other kind of organization, we are limited in the amount of lobbying we can do, we must track and report lobbying under IRS definitions, and we are prohibited from supporting or opposing candidates for office. These restrictions mean that the risk of corruption and the need for transparency are different when applied to 501(c)(3)s. Imposing additional burdens has a real risk of chilling legitimate advocacy by nonprofits, at the worst possible time when threats and new realities at all levels of government necessitate acting locally to strengthen marginalized communities. For example, local nonprofits may reasonably conclude that City policies can protect and defend immigrant communities in Los Angeles that are under attack. But a nonprofit may also, by financial necessity, conclude that compliance with increasingly complex lobbying disclosure rules is too expensive, and decide not to engage community residents on City matters or weigh in themselves, to the detriment of underserved communities throughout the City of Los Angeles.

We encourage the Commission to address the following concerns that we and other nonprofits have raised regarding proposed changes to the MLO:

1. The proposed 501(c)(3) exemption is very narrow and unclear. A blanket exemption for 501(c)(3)s is both the easiest to administer and clearest for nonprofits advocating in the City. Such an exemption would read:

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

Alternatively, if the Commission is unable to recommend a blanket exemption for 501(c)(3)s, we believe that the language below strikes an appropriate balance between increased disclosure and reducing burdens on organizations advocating on behalf of underserved communities.

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that:

1. Provides assistance, such as food, clothing, shelter, child care, health, legal, vocational, relief, educational, and other similar assistance to disadvantaged people for free or at a below-market rate;
2. Engages disadvantaged or underrepresented people in City decision-making or promotes building healthy communities; OR
3. Has gross receipts of less than \$2.5 million.

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

2. Proposals for "indirect lobbyists" would disproportionately burden nonprofit organizations. 501(c)(3)s in Los Angeles often educate community residents on pending City matters, inform them of opportunities to comment, and are a trusted source of information on how policy proposals could impact communities. In these activities, organizations may be interested in empowering the public and not communicating with City officials directly. Still, under proposals for "indirect lobbyists", these organizations may have to register, file regular reports, and pay a \$450 registration fee, even if they never communicate with City officials. The threshold for reporting would also be significantly reduced from current thresholds, from \$5,000 in a calendar quarter to \$5,000 in a calendar year. These proposals would chill advocacy that is meant to engage City residents in the decisionmaking

that affects their lives. The threshold for reporting as an “indirect lobbyist” should remain the same as it currently is for Major Filers, and reporting should remain on a quarterly basis to be consistent with state and other reporting regimes to reduce administrative burdens.

3. The proposal for a private right of action could expose nonprofit organizations to harassment from moneyed interests. Allowing private individuals to sue people who fail to register and report properly could open up smaller nonprofits and others with controversial or unpopular ideas to harassment through expensive or even frivolous lawsuits by moneyed interests. This would discourage groups that may not have the resources to hire a law firm to either file regular lobbying reports or defend the nonprofits from lawsuits. In turn, City officials may not hear much-needed perspectives during policy debates. The proposed language in Sec. 48.11B1 which allows any “person residing within the City” to bring a civil action, and in Sec. 48.11(B)(4) which would allow a private plaintiff to receive 50 percent of a judgment should be struck from the proposal.

As the Commission moves forward with its review of the MLO, we encourage it to keep in mind that for most 501(c)(3) organizations, compliance with the City’s complex lobbying disclosure rules is a new experience. Serving low-income, underrepresented, and marginalized communities is the bottom line for the nonprofit community, and rules that will make that more expensive, complex, and risky will mean these people will participate less in City decisionmaking. As such, we urge the Commission to balance the need for information on lobbying with the reality of limited resources and expertise in the nonprofit sector. Thank you again for offering this opportunity to address the Commission on its review of the MLO.

Sincerely,



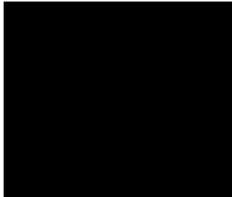
Deanna Kitamura  
Voting Rights Project Director  
Asian Americans Advancing Justice – Los Angeles

Building upon the legacy of the Asian Pacific American Legal Center





Change. Not Charity.



October 11, 2017

Jessica A. Levinson, Chair and Commissioners  
Los Angeles City Ethics Commission  
200 North Spring Street  
City Hall, 24<sup>th</sup> Floor  
Los Angeles, CA 90012

**RE: Los Angeles Municipal Lobbying Ordinance**

Dear Chair Levinson and Los Angeles City Ethics Commissioners,

Thank you for the opportunity to comment on the Los Angeles Municipal Lobbying Ordinance as you continue your comprehensive review process of the lobbying provisions.

The Liberty Hill Foundation is very interested in your deliberations around the LAMLO and its impact on our grantees and the nonprofit sector as a whole. Liberty Hill is a public foundation that has been working for more than 40 years to advance a broad range of social justice issues in the Los Angeles region through grants to nonprofit and community-based organizations; training and capacity building programs; convening and coalition-building around key public policy concerns; and working within philanthropy to promote equality and opportunity for disadvantaged people and communities.

Most of our grantee organizations are small, grassroots nonprofits with budgets of less than \$1 million and small staffs who struggle to provide services, conduct community outreach and education, and organize under-represented and vulnerable constituencies to improve their life circumstances through collective action, including advocating for public policy solutions. Further, there is an active movement in the philanthropic community to seek and forge public-private partnerships where private, public and corporate foundations, along with nonprofits, work side-by-side with government agencies and elected officials to develop innovative, effective policies and programs to meet human needs on an ever larger and more complex scale.

For a number of years, Liberty Hill has sponsored training workshops for our grantees, utilizing the educational resources developed and offered by the Alliance for Justice and the Kaufman Legal Group. Some of the concerns that have been raised by our grantees in the course of these training sessions include the high cost of registration fees; the complexity of managing different federal, state and local lobbying and disclosure rules; and the lack of clarity around certain definitions in the LAMLO.

While the proposed new language for the LAMLO is well-intentioned, it results in new administrative burdens, such as expanded registration and reporting requirements, and risk of litigation for nonprofits. When engaging in advocacy, 501(c)(3) nonprofits are already limited in the amount of lobbying they can do. They are required to track and report lobbying under IRS definitions, and they are prohibited from supporting or opposing candidates for office. These restrictions mean that the risk of corruption and the need for transparency are different when applied to 501(c)(3)s. Imposing additional burdens has a real risk of chilling legitimate and much-needed advocacy by nonprofits—an urgent concern right now as we face threats and new realities at all levels of government that necessitate acting locally to strengthen marginalized communities. For example, local nonprofits may reasonably conclude that City policies can protect and defend immigrant communities in Los Angeles that are under attack. But a nonprofit may also, by financial necessity, conclude that compliance with increasingly complex lobbying disclosure rules is too expensive, and decide not to engage community residents on City matters or weigh in themselves, to the detriment of underserved communities throughout the City of Los Angeles.

We encourage the Commission to address the following concerns that we and other nonprofits have raised regarding proposed changes to the LAMLO:

1. The proposed 501(c)(3) exemption is very narrow and unclear. A blanket exemption for 501(c)(3)s is both the easiest to administer and clearest for nonprofits advocating in the City. Such an exemption would read:

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

Alternatively, if the Commission is unable to recommend a blanket exemption for 501(c)(3)s, we believe that the language below strikes an appropriate balance between increased disclosure and reducing burdens on organizations advocating on behalf of underserved communities.

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that:

1. Provides assistance, such as food, clothing, shelter, child care, health, legal, vocational, relief, educational, and other similar assistance to disadvantaged people for free or at a below-market rate;
2. Engages disadvantaged or underrepresented people in City decision-making or promotes building healthy communities; OR
3. Has gross receipts of less than \$2.5 million.

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

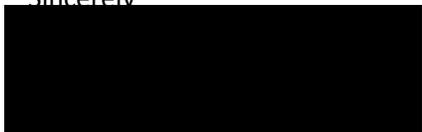
2. Proposals for “indirect lobbyists” would disproportionately burden nonprofit organizations. 501(c)(3)s in Los Angeles often educate community residents on pending City matters, inform them of opportunities to comment, and are a trusted source of information on how policy proposals could impact communities. In these activities, organizations may be interested in empowering the public and not communicating with City officials directly. Still, under proposals for “indirect lobbyists”, these organizations may have to register, file regular reports, and pay a \$450 registration fee, even if they never communicate with City officials. The threshold for reporting would also be significantly reduced from current thresholds, from \$5,000 in a calendar quarter to \$5,000 in a calendar year. These proposals would chill advocacy that is meant to engage City residents in the decision-making that affects their lives. The threshold for reporting as an “indirect lobbyist” should remain the same as it currently is for Major Filers, and reporting should remain on a quarterly basis to be consistent with state and other reporting regimes to reduce administrative burdens.

3. The proposal for a private right of action could expose nonprofit organizations to harassment from moneyed interests. Allowing private individuals to sue people who fail to register and report properly could open up smaller nonprofits and others with controversial or unpopular ideas to harassment through expensive or even frivolous lawsuits by moneyed interests. This would discourage groups that may not have the resources to hire a law firm to either file regular lobbying reports or defend the nonprofits from lawsuits. In turn, City officials may not hear much-needed perspectives during policy debates. The proposed language in Sec. 48.11B1 which allows any “person residing within the City” to bring a civil action, and in Sec. 48.11(B)(4) which would allow a private plaintiff to receive 50 percent of a judgment should be struck from the proposal.

As the Commission moves forward with its review of the LAMLO, we encourage it to keep in mind that for most 501(c)(3) organizations, compliance with the City’s complex lobbying disclosure rules is a new experience. Serving low-income, underrepresented, and marginalized communities is the bottom line for the nonprofit community, and rules that will make that more expensive, complex, and risky will mean these people will participate less in City decision-making. As such, we urge the Commission to balance the need for information on lobbying with the reality of limited resources and expertise in the nonprofit sector.

Thank you for the opportunity to comment on the LAMLO review process. The Liberty Hill Foundation believes that these changes—proposed by a broad cross-section of the nonprofit community—will provide a far more supportive environment for 501c3 organizations to continue to make a significant difference to improve the lives of Angelenos, especially those who are most vulnerable and under-represented.

Sincerely



Michele Prichard  
Director, Common Agenda Program  
Liberty Hill Foundation

# DOWNTOWN WOMEN'S CENTER



October 11, 2017

Los Angeles City Ethics Commission  
200 North Spring Street  
City Hall, 24<sup>th</sup> Floor  
Los Angeles, CA 90012  
[ethics.policy@lacity.org](mailto:ethics.policy@lacity.org)

RE: Los Angeles Municipal Lobbying Ordinance (MLO)

Dear City Ethics Commissioners,

Thank you for this opportunity to comment on the City Ethics Commission's review of the Los Angeles Municipal Lobbying Ordinance (MLO), and for hosting an interested persons meeting focusing on input from the nonprofit community.

Founded in 1978, the Downtown Women's Center is the only organization in Los Angeles exclusively dedicated to addressing the needs of women overcoming poverty and homelessness in Skid Row. Our mission is to provide permanent supportive housing and a safe and healthy community fostering dignity, respect, and personal stability. Another core component of our work is to advocate ending homelessness for women—which is why we're concerned about the proposed new language for the LA MLO.

While the proposed new language for the LA MLO is well-intentioned, it results in new administrative burdens, such as expanded registration and reporting requirements, and risk of litigation for nonprofits like us. When engaging in advocacy, 501(c)(3) nonprofits are already running the race with a piano on our backs, because unlike any other kind of organization, we are limited in the amount of lobbying we can do, we have to track and report lobbying under IRS definitions, and we are prohibited from supporting or opposing candidates for office.

These restrictions mean that the risk of corruption and the need for transparency are different when applied to 501(c)(3)s. Imposing additional burdens has a real risk of chilling legitimate advocacy by nonprofits, at the worst possible time when threats and new realities at all levels of government necessitate acting locally to strengthen marginalized communities such as the women in Skid Row.

Homelessness ends here.

# DOWNTOWN WOMEN'S CENTER



We encourage the Commission to address the following concerns that we and other nonprofits have raised regarding proposed changes to the MLO:

1. The proposed 501(c)(3) exemption is very narrow and unclear. A blanket exemption for 501(c)(3)s is both the easiest to administer and clearest for nonprofits advocating in the City. Such an exemption would read:

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

Alternatively, if the Commission is unable to recommend a blanket exemption for 501(c)(3)s, we believe that the language below strikes an appropriate balance between increased disclosure and reducing burdens on organizations advocating on behalf of underserved communities.

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that:

1. Provides assistance, such as food, clothing, shelter, child care, health, legal, vocational, relief, educational, and other similar assistance to disadvantaged people for free or at a below-market rate;
2. Engages disadvantaged or underrepresented people in City decision-making or promotes building healthy communities; OR
3. Has gross receipts of less than \$2.5 million.

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

2. Proposals for "indirect lobbyists" would disproportionately burden nonprofit organizations. 501(c)(3)s in Los Angeles often educate community residents on pending City matters, inform them of opportunities to comment, and are a trusted source of information on how policy proposals could impact communities. In these activities, organizations may be interested in empowering the public and not communicating with City officials directly. Still, under proposals for "indirect lobbyists", these organizations may have to register, file regular reports, and pay a \$450 registration fee, even if they never communicate with City officials. The threshold for reporting would also be significantly reduced from current thresholds, from \$5,000 in a calendar quarter to \$5,000 in a calendar year. These

Homelessness ends here.

# DOWNTOWN WOMEN'S CENTER



proposals would chill advocacy that is meant to engage City residents in the decision making that affects their lives. The threshold for reporting as an “indirect lobbyist” should remain the same as it currently is for Major Filers, and reporting should remain on a quarterly basis to be consistent with state and other reporting regimes to reduce administrative burdens.

3. The proposal for a private right of action could expose nonprofit organizations to harassment from moneyed interests. Allowing private individuals to sue people who fail to register and report properly could open up smaller nonprofits and others with controversial or unpopular ideas to harassment through expensive or even frivolous lawsuits by moneyed interests. This would discourage groups that may not have the resources to hire a law firm to either file regular lobbying reports or defend the nonprofits from lawsuits. In turn, City officials may not hear much-needed perspectives during policy debates. The proposed language in Sec. 48.11B1 which allows any “person residing within the City” to bring a civil action, and in Sec. 48.11(B)(4) which would allow a private plaintiff to receive 50 percent of a judgment should be struck from the proposal.

As the Commission moves forward with its review of the MLO, we encourage it to keep in mind that for most 501(c)(3) organizations, compliance with the City’s complex lobbying disclosure rules is a new experience. Serving low-income, underrepresented, and marginalized communities is the bottom line for the nonprofit community, and rules that will make that more expensive, complex, and risky will mean these people will participate less in City decision making.

As such, we urge the Commission to balance the need for information on lobbying with the reality of limited resources and expertise in the nonprofit sector.

Thank you again for offering this opportunity to address the Commission on its review of the MLO.

Sincerely,



Anne Miskey  
Chief Executive Officer

Homelessness ends here.



October 11, 2017

Dear City Ethics Commissioners,

Thank you for this opportunity to comment on the City Ethics Commission's review of the Los Angeles Municipal Lobbying Ordinance (MLO), and for hosting an interested persons meeting focusing on input from the nonprofit community.

Pacoima Beautiful is a grassroots environmental justice organization that provides education, impacts public policy, and supports local arts and culture in order to promote a healthy and sustainable San Fernando Valley.

While the proposed new language for the LA MLO is well-intentioned, it results in new administrative burdens, such as expanded registration and reporting requirements, and risk of litigation for nonprofits. When engaging in advocacy, 501(c)(3) nonprofits are already running the race with a piano on their backs, because unlike any other kind of organization, they are limited in the amount of lobbying they can do, they have to track and report lobbying under IRS definitions, and they are prohibited from supporting or opposing candidates for office. These restrictions mean that the risk of corruption and the need for transparency are different when applied to 501(c)(3)s. Imposing additional burdens has a real risk of chilling legitimate advocacy by nonprofits, at the worst possible time when threats and new realities at all levels of government necessitate acting locally to strengthen marginalized communities. For example, local nonprofits may reasonably conclude that City policies can protect and defend immigrant communities in Los Angeles that are under attack. But a nonprofit may also, by financial necessity, conclude that compliance with increasingly complex lobbying disclosure rules is too expensive, and decide not to engage community residents on City matters or weigh in themselves, to the detriment of underserved communities throughout the City of Los Angeles.

We encourage the Commission to address the following concerns that we and other nonprofits have raised regarding proposed changes to the MLO:

1. The proposed 501(c)(3) exemption is very narrow and unclear. A blanket exemption for 501(c)(3)s is both the easiest to administer and clearest for nonprofits advocating in the City. Such an exemption would read: Sec. 48.03

- E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.



Alternatively, if the Commission is unable to recommend a blanket exemption for 501(c)(3)s, we believe that the language below strikes an appropriate balance between increased disclosure and reducing burdens on organizations advocating on behalf of underserved communities.

## Sec. 48.03

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1. Provides assistance, such as food, clothing, shelter, child care, health, legal, vocational, relief, educational, and other similar assistance to disadvantaged people for free or at a below-market rate;
2. Engages disadvantaged or underrepresented people in City decision-making or promotes building healthy communities; OR
3. Has gross receipts of less than \$2.5 million.

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

2. Proposals for "indirect lobbyists" would disproportionately burden nonprofit organizations. 501(c)(3)s in Los Angeles often educate community residents on pending City matters, inform them of opportunities to comment, and are a trusted source of information on how policy proposals could impact communities. In these activities, organizations may be interested in empowering the public and not communicating with City officials directly. Still, under proposals for "indirect lobbyists", these organizations may have to register, file regular reports, and pay a \$450 registration fee, even if they never communicate with City officials. The threshold for reporting would also be significantly reduced from current thresholds, from \$5,000 in a calendar quarter to \$5,000 in a calendar year. These proposals would chill advocacy that is meant to engage City residents in the decision making that affects their lives. The threshold for reporting as an "indirect lobbyist" should remain the same as it currently is for Major Filers, and reporting should remain on a quarterly basis to be consistent with state and other reporting regimes to reduce administrative burdens.

3. The proposal for a private right of action could expose nonprofit organizations to harassment from moneyed interests. Allowing private individuals to sue people who fail to register and report properly could open up smaller nonprofits and others with controversial or unpopular ideas to harassment through expensive or even frivolous lawsuits by moneyed interests. This would discourage groups that may not have the resources to hire a law firm to either file regular lobbying reports or defend the nonprofits from lawsuits. In turn, City officials may not hear much-needed perspectives during policy debates. The proposed language in Sec. 48.11B1 which allows any "person residing within the City" to bring a civil action, and in Sec. 48.11(B)(4) which would allow a private plaintiff to receive 50 percent of a judgment should be struck from the proposal.



# Pacoima Beautiful

ENVIRONMENTAL EDUCATION. LEADERSHIP DEVELOPMENT & ADVOCACY

As the Commission moves forward with its review of the MLO, we encourage it to keep in mind that for most 501(c)(3) organizations, compliance with the City's complex lobbying disclosure rules is a new

experience. Serving low-income, underrepresented, and marginalized communities is the bottom line for the nonprofit community, and rules that will make that more expensive, complex, and risky will mean these people will participate less in City decision making. As such, we urge the Commission to balance the need for information on lobbying with the reality of limited resources and expertise in the nonprofit sector.

Thank you again for offering this opportunity to address the Commission on its review of the MLO.

Sincerely,



Yvette Lopez-Ledesma  
Deputy Director

CC: Veronica Padilla, Executive Director  
Council President Herb Wesson





PRESIDENT  
**NAN ARON**  
CHAIR  
**KEN GROSSINGER**

October 11, 2017

Jessica A Levinson, Chair and Commissioners  
Los Angeles City Ethics Commission  
200 North Spring Street  
City Hall, 24th Floor  
Los Angeles, California 90012

Via email to: [ethics.policy@lacity.org](mailto:ethics.policy@lacity.org)

**RE: Proposed Changes to Los Angeles Municipal Lobbying Ordinance**

Dear Commissioners,

Alliance for Justice (AFJ) thanks the City Ethics Commission for this opportunity to comment on the proposed revisions to the Los Angeles Municipal Lobbying Ordinance (MLO), and for hosting an interested persons meeting focusing on input from the nonprofit community.

AFJ is a national association of over 120 organizations, representing a broad array of groups committed to progressive values and the creation of an equitable, just, and free society. AFJ is the leading expert on the legal framework for nonprofit advocacy efforts, providing definitive information, resources, and technical assistance that encourages nonprofit organizations to fully exercise their right to be active participants in the democratic process. A nonprofit ourselves, we are not a law firm, but rather we provide legal and capacity-building support across the board to nonprofit organizations to empower them to engage in advocacy in line with their missions and in compliance with the law. Since 2004, we have worked with over 1,800 small, medium and large nonprofit organizations in California.

Our hands-on work with nonprofits trying to comply with lobbying disclosure rules has taught us that well-intentioned rules to require increased disclosure often result in new administrative burdens for nonprofits and dissuade nonprofits from participating in public processes. 501(c)(3)s, unlike any other kind of organization, are limited in the amount of lobbying they can do, they have to track and report lobbying under IRS definitions, and they are prohibited from supporting or opposing candidates for office. These restrictions mean that the risk of corruption and the need for transparency are different

[REDACTED]

when applied to 501(c)(3)s. Adding reporting requirements and the risk of litigation to an overlapping but distinct set of activities that fall within the purview of the MLO has a real potential to chill legitimate participation in city decisionmaking by nonprofits.

The timing of this proposal couldn't be worse. The world has changed since the Commission staff started reviewing this ordinance, and communities served by nonprofits are facing new threats, losing legal protections, and dealing with cuts to needed services at all levels of government. Still, faced with the proposed MLO, many of the City's nonprofits may - rather than engaging locally to support marginalized communities - conclude based on financial necessity that compliance with increasingly complex lobbying disclosure rules is too expensive, and decide not to engage community residents on City matters or weigh in themselves, to the detriment of underserved communities throughout the City of Los Angeles.

AFJ encourages the Commission to address the concerns that we and other nonprofits have raised regarding proposed changes to the MLO as follows:

### **1. Broaden the Nonprofit Exemption**

The proposed 501(c)(3) exemption is very narrow and unclear. 501(c)(3)s are not the same as other organizations with regard to their ability to advocate. The MLO should recognize this, as do many other cities, with a broad 501(c)(3) exemption. A blanket exemption for 501(c)(3)s is both the easiest to administer and clearest for nonprofits advocating in the City. Such an exemption would read:

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

Alternatively, if the Commission is unable to recommend a blanket exemption for 501(c)(3)s, we believe that the language below strikes an appropriate balance between increased disclosure and reducing burdens on organizations advocating on behalf of underserved communities.

Sec. 48.03

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1. Provides assistance, such as food, clothing, shelter, child care, health, legal, vocational, relief, educational, and other similar assistance to disadvantaged people for free or at a below-market rate;
2. Engages disadvantaged or underrepresented people in City decision-making or promotes building healthy communities; OR
3. Has gross receipts of less than \$2.5 million.

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

## **2. Keep the Existing Major Filer Threshold and Reporting Requirements As Is**

Proposals for "indirect lobbyists" would disproportionately burden nonprofit organizations. 501(c)(3)s in Los Angeles often educate community residents on pending City matters, inform them of opportunities to comment, and are a trusted source of information on how policy proposals could impact communities. In these activities, organizations may be interested in empowering the public and not communicating with City officials directly. Still, under proposals for "indirect lobbyists", these organizations may have to register, file regular reports, and pay a \$450 registration fee, even if they never communicate with City officials. The threshold for reporting would also be significantly reduced from current thresholds, from \$5,000 in a calendar quarter to \$5,000 in a calendar year. These proposals would chill advocacy that is meant to engage City residents in the decisionmaking that affects their lives. The threshold for reporting as an "indirect lobbyist" should remain the same as it currently is for Major Filers, and reporting should remain on a quarterly basis to be consistent with state and other reporting regimes to reduce administrative burdens.

## **3. Do Not Add a Private Right of Action with a Bounty to Incentivize Harassment**

The proposal for a private right of action could expose nonprofit organizations to harassment from moneyed interests. Allowing private individuals to sue people who fail to register and report properly could open up smaller nonprofits and others with controversial or unpopular ideas to harassment through expensive or even frivolous lawsuits by moneyed interests. This would discourage groups that do not have the resources to hire a law firm to either file regular lobbying reports or defend them from a lawsuit. In turn, City officials may not hear much-needed perspectives during policy debates. The proposed language in Sec. 48.11(B)(1) which allows any "person residing within the City" to bring a civil action, and in Sec. 48.11(B)(4) which would allow a private plaintiff to receive 50 percent of a judgment should be struck from the proposal.

## Conclusion

As the Commission moves forward with its review of the MLO, we encourage it to keep in mind that for most 501(c)(3) organizations, compliance with the City's complex lobbying disclosure rules is a new experience. We have seen again and again that even nonprofits that are familiar with federal laws governing their advocacy as tax-exempt organizations still struggle to understand local lobbying disclosure rules and shy away from participating in City decisions rather than spend resources on compliance that would otherwise be spent on their charitable work. As such, we urge the Commission to balance the need for information on lobbying with the reality of limited resources in the nonprofit sector and reject rules that would exacerbate the existing influence of money on City decisionmaking processes.

Thank you again for offering this opportunity to address the Commission on its review of the MLO.

Sincerely,

Nona Randois  
California Director

Shyaam Subramanian  
Southern California Counsel



October 11, 2017

Adam Murray  
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Ethics Commission  
Via [ethics.policy@lacity.org](mailto:ethics.policy@lacity.org)

Re: **Support for AB 291 (Chiu) –Protecting Immigrant Tenants**

Dear Ethics Commissioners:

On behalf of Inner City Law Center (ICLC), I am writing to express our grave concerns that the current draft amendments to the City of Los Angeles’ Municipal Lobbying Ordinance (MLO) will chill free speech and participation in the legislative and administrative process, particularly for small nonprofits and disenfranchised people.

As a nonprofit headquartered on Los Angeles’ Skid Row, ICLC provides legal services to low-income Angelenos to help them get and keep housing. In ICLC’s work, we see the barriers that people face to getting and keeping housing. We are in the is in a unique position to see how these proposed changes would discourage people from participating in the legislative and administrative process.

Staff’s proposed MLO amendments are well-intentioned – to increase transparency and provide a fair process for all. However, staff’s proposed amendments would force many nonprofits to take an existential risk if they are to continue policy advocacy under these rules.

Staff’s proposed changes would 1) broaden the existing definition of who must register, report and comply with the lobbying rules; 2) require registration and a \$450 annual registration fee; 3) increase the consequences for noncompliance; and 4) expand enforcement options to include authorizing a private right action (lawsuit) by a member of the public asserting noncompliance and rewarding the successful plaintiff with the fines imposed on the defendant. Each of these changes will result in more nonprofits choosing not to participate.

First, for most nonprofits, especially small ones, the risk of being categorized as a “lobbyist” or “indirect lobbyist” or similar designation would cause it to lose donors, both foundations and individuals, who are uncomfortable with the perceived corruption that goes with such terms. Second, most nonprofits lack the sophistication or sufficient access to legal counsel to determine what is lobbying, whether a specific activity fits the definition, and how to comply with reporting requirements. Third, almost all nonprofits lack the resources to pay for the legal fees required to fight off vexatious litigation that may result from taking a position in opposition to a powerful, well-heeled interest. Losing or even incurring the cost of fighting such a legal battle poses an existential threat to most nonprofits which, regardless of size, operate on a shoestring budget. Rather than take the risk, most nonprofits will choose not to participate.

We know this because it is already the choice many nonprofits make when confronted with the current federal and state regulatory systems imposed uniquely on nonprofits. In exchange for nonprofit designation, nonprofits cannot support in anyway a candidate for elected office. Non

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profits are limited in how much lobbying they can do – it must be an insubstantial amount. Nonprofits can only lobby in furtherance of their charitable mission; they cannot lobby in their own financial self-interest. And when they do lobby, nonprofits must report any lobbying to the IRS on their 990 forms. If a nonprofit fails to comply with these restrictions, they risk losing their nonprofit status.

Because federal and state rules already impose restrictions and requirements on nonprofits that aren't imposed on for-profit companies or individuals, nonprofits are already on unequal footing with for-profit companies. Were the City to heap even more regulations and consequences of top, it will be a step too far. We will see a dramatic drop in civic participation from disenfranchised people who see their community nonprofits as their voice.

To prevent this calamity, the Ethics Commission should propose an MLO with an expanded exclusion that applies to all nonprofits.

Thank you for your consideration of our concerns. If we can be of any assistance going forward, please do not hesitate to reach out.

Sincerely,



Adam Murray  
Executive Director