Tuesday, April 4, 2006
House Judiciary Subcommittee on the Constitution
Hearing on H.R. 4975, Lobbying Accountability and Transparency Act of 2006
Testimony of Chellie Pingree, President and CEO, Common Cause

Chairman Chabot, Ranking Member Nadler and members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss the Lobbying Accountability and Transparency Act of 2006.

The House of Representatives is about to consider a difficult matter. Unlike most issues that come before you, the issue of lobbying and ethics reform directly impacts the lives of members of Congress and their staff. I understand how difficult this can be having served as a State Senator in Maine for a number of years.

Nevertheless, I am here today to give my candid view of the Lobbying Accountability and Transparency Act and the ways in which I think it can be improved.

I do not need to remind the members of this committee of the circumstances surrounding this debate: one member of Congress recently sentenced to more than eight years in prison; a recent guilty plea from a top aide to the former Majority Leader, who himself has been indicted in a different matter; a lobbyist sentenced to almost six years in prison and awaiting further sentencing; and at least six members of Congress currently being investigated by the Department of Justice.

It should be no surprise that the goal of this legislation is nothing less than restoring the public's confidence in this institution. Thanks to the misconduct of perhaps a handful of members of Congress and at least one lobbyist, most Americans consider corruption to be one of the major problems facing our country – in league with the war in Iraq.

Let me repeat that: many Americans believe that corruption in Congress is as much of a problem as the war in Iraq.

Since this is all public knowledge, I am surprised by the response of some members in both the House and the Senate to this situation. Unlike these legislators, I am not concerned that Congress is overreacting by passing lobbying and ethics reform legislation. But rather, I am concerned that Congress' credibility problem is going to continue beyond this election year.

With this in mind, let me share with you some of the policy positions Common Cause has advanced in lobbying and ethics reform as you consider the legislation we have come here to discuss.

According to a recent article, the House Committee on Standards of Official Conduct (Ethics Committee) is once again stalled. After spending all of last year in a state of suspended animation, the Ethics Committee appears deadlocked again, unable to agree on which cases to pursue.

I think I speak for the entire reform community when I say: the House Ethics Committee, despite the hard work of some of its members – notably former-Chairman Joel Hefley – has failed to enforce the rules of conduct for members of this chamber. This is the biggest problem you face, and it needs to be fixed.

The Lobbying Accountability and Transparency Act will have little effect on the problem of enforcement.

I propose that this committee consider the reasonable and widely utilized model adopted by many state legislatures to deal with this problem. That is: inject some level of independence into the process of investigating possible ethics violations by members of this body.

The simple truth is that the public sees the House and Senate as protecting their own. The lack of action by both the House and the Senate involving the widely publicized misconduct of several members and staff is simply inexcusable. I believe it is the single biggest reason that the public approval ratings for Congress are as low as they are.

Common Cause supports the legislation introduced in the Senate by Senator Barack Obama, which would create an independent ethics enforcement commission modeled on commissions that already exist in a number of states.

Recently, several members of the Tennessee state legislature where targeted in a federal corruption sting. The Governor called a special session, and the legislature created an independent ethics commission in response to the scandal. According to the National Conference of State Legislatures, more than 30 states have some form of independent ethics commission with jurisdiction over the legislature.

Some have argued that an independent ethics enforcement commission in Congress is unconstitutional. Many legal scholars, however, believe that it is constitutional. You will find included with my written testimony a memorandum written by former general counsel to the House of Representatives Stan Brand, which sets forth the arguments as to why an independent ethics enforcement commission is indeed consistent with constitutional requirements.

Unless this Congress deals with the failed system for enforcing its rules by seeing to it that its own members are held accountable, I suspect that it will not be long before we are back here talking about this same problem.

I would like to also briefly discuss Section 303 of the Lobbying Accountability and Transparency Act, which would prohibit registered lobbyists on corporate flights.

I think this legislation misses the mark on the problem of registered lobbyists traveling around with members on charted company jets. The lobbyists are not the problem, the jets are.

Here again, the public perception is critical. Most Americans never have and never will fly on a chartered jet, much less a fancy corporate jet complete with wet bar and leather couches. So when members of Congress constantly fly around on corporate jets and pay only the cost of a commercial ticket, it contributes to the corrosive public perception that members of Congress are more like the fat cats of Wall Street than they are like the rest of us.

Besides, even if lobbyists are not on the flight, someone from the company, like the C.E.O., will be on board to discuss the company's legislative agenda in their place.

Members who travel on private corporate jets are being subsidized by the companies that own those jets. The difference in price between a first class commercial ticket and the price of chartering a plane is enormous, and has the appearance of a gift to the member. This legislation would do nothing to change that.

A recent *Washington Post* editorial about the lobby reform bill recently passed by the Senate includes this passage:

> If the Senate bill is disappointing, though, the House is poised to do even worse. A proposal unveiled last month by the Republican leadership would do nothing to restrict gifts from lobbyists. It would merely impose a temporary moratorium on privately funded travel while the ethics committee studies what to do -- or, more cynically, while members wait for the storm over Jack Abramoff to blow over. It suffers from the same shortcomings as the Senate measure in terms of enforcement and corporate jets.

I have touched on just two provisions in the legislation that is before this committee today. But there are many other areas where this bill fails to make the necessary changes that are needed if it is going to assure the American people that when it comes to dealing with corruption, this Congress "gets it."

Again, I appreciate the opportunity to appear before the committee today and, of course, will answer any of your questions about this issue.

Thank you.

Appendix A

DATE: **February 7, 2006**

TO: **Legal Counsel / Lobbying Reform LA**

FROM: **Common Cause**
Written by Stanley M. Brand, Esq.[1], Brand Law Group

RE: **Power of the House and Senate to Create Independent Ethics Commission**

You have asked whether the power conferred upon the House (and Senate) to punish its Members for disorderly behavior, U.S. Const., Art. I, § 5, cl.2, prevents the House from delegating certain responsibilities to an independent body outside the House to investigate ethical conduct of Members and make recommendations regarding punishment for breaches thereof to the full House for disposition. While there is no judicial authority directly deciding this question, in my view there is no textual constitutional impediment to doing so and analysis of jurisprudence interpreting collateral matters lends support to the conclusion that the House may enlist the aid of an outside independent body when exercising its powers under Art. I, § 5, cl. 2.

The provision at issue provides, in pertinent part, that "[e]ach House may…punish its Members for disorderly behavior, and, with the concurrence of two thirds, expel a Member." The first point to note is that the power is phrased in discretionary ("may") not mandatory terms. This contrasts with the other provisions respecting internal matters placed within the power of the House, such as the power to judge the elections, returns and qualifications of its Members, U.S. Const., § 5, cl.1, or the constitutional protection for speech or debate, *id.*, § 6, cl.1, or the disqualification clause of Art. I, § 6, cl.2, all of which specify that those powers "shall " be exercised. This is not a distinction without significance given the considerable judicial gloss which

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[1] **Mr. Brand served as General Counsel to the House of Representatives from 1976 to 1984. He was counsel of record on behalf of Speaker O'Neill as *amicus curiae* and argued on his behalf in *United States v. Helstoski*, 442 U.S. 477 (1979) and *Helstoski v. Meanor*, 442 U.S. 500 (1979), cases involving the self-disciplinary powers of Congress. He was also counsel in *INS v. Chadha*, 462 U.S. 919 (1983).**

establishes that generally the use of the word "may" is a term of permission and the use of the word "shall" is a term limiting discretion. Black's Law Dictionary 883 (5th ed. 1979).

Beyond the textual analysis, there is a heavy presumption that the means Congress chooses to implement its constitutional powers are legitimate unless they directly impinge upon the express powers of a coordinate branch, *Nixon v. Administrator of General Services*, 433 U.S. 425, 443 (1977)(Congress' statutory disposition of presidential papers) or implicate the rights of persons outside the legislative branch upon whom its enactments or actions impinge. *United States v. Watkins*, 354 U.S. 178, 216 (1957)("By making the Federal judiciary the affirmative agency for enforcing the authority that underlies the congressional power to punish for contempt, Congress necessarily brings into play the specific provisions of the Constitution relating to prosecution of offenses…").

The delegation of investigative powers respecting Members to an outside body impinges on neither of these interests; its compass is purely internal. The Supreme Court has concluded that the stringent constitutional requirements for law making -- bicameralism and presentment[2] -- do not apply to matters that are wholly internal to the Houses of Congress. *INS v. Chadha*, 462 U.S. 919, 955 n. 21 (1983)(noting that each House has power to act alone in determining certain internal matters).

The House's judgment as to the appropriate procedures for exercising its self-disciplinary power is not cabined by the requirements imposed on law making, or on the contempt procedures established to enforce its subpoenas because it only affects Members of the House. And in this regard, the Courts have uniformly refused to interfere in or review the exercise of the self-disciplinary power. *Williams v. Bush*, Memorandum Opinion (unpublished)(court will not enjoin Senate proceeding to expel Member based on a claim of threatened violation of his constitutional rights), Civ. Action No. 81-2839 (D.D.C. 1982).

There is one respect only in which the House's power to discipline its Members is limited by the Constitution, and that is the requirement to obtain

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[2] **U.S. Const. art. I, § 7, cl.3 requires that all legislation be presented to the President for his approval, or veto and Art. I, §§ 1, 7 requires that the concurrence of a majority of both Houses of Congress.**

a two-thirds supermajority to expel a Member. This power was construed by the Supreme Court in *Powell v. McCormack*, 395 U.S. 486 (1969). There the Court was faced with the claim that Representative Adam Clayton Powell has presented himself as duly elected from the 19th Congressional District of New York but was excluded by the House based on findings of impropriety despite the fact that he possessed the standing qualifications for office specified in the Constitution. Powell challenged his exclusion asserting that since the House determined he possessed the standing qualifications, it has no choice but to seat him and then if it determined he had breached House rules, to expel him by a two-thirds vote. The Court agreed and held that the House exceeded its power. It did so after canvassing the English and colonial antecedents to the qualifications clause and concluding that the Framers intended to give the greatest deference to the will of the people in electing their representatives and that permitting the legislature to, in affect, add to the standing qualifications by allowing the House to exclude a Member for any reason other than those specified in the Constitution would undermine the electorate's choice.

The analysis of the Court in *Powell* underscores the discretion which the House has to utilize any procedures it deems appropriate in disciplining its Members save in those instances where it seeks to expel – because when it imposes punishments short of expulsion, whether that be censure, reprimand or fine, it does not deprive the electorate of its free choice.

In interpreting the powers of the House in this area, the Courts are likely to accord substantial deference to its choice of the means to implement its Art. I, § 5, cl.1 self-disciplinary power particularly if that legislative judgment is supported by a finding that the self-disciplinary process is not functioning in an orderly and efficient manner. By now, it is apparent to most observers and even Members themselves that the ethics process is in dire need of repair. The Supreme Court itself has remarked on the problems inherent in exercise of the self-disciplinary power in stating that "Congress is ill-equipped to investigate, try, and punish its Members for a wide range of behavior that is loosely and incidentally related to the legislative process." *United States v. Brewster*, 408 U.S. 501, 518 (1972). The Court noted that the process of disciplining a Member in the Congress is not without "countervailing risks of abuse since it is not surrounded with the panoply of protective shields that are present in a criminal case." *Id.* And perhaps more relevant to the current ethical vacuum in the House, the Court noted that Congress "has shown little inclination to exert itself in this area." *Id.*, at 519.

It is this last consideration that the Court could find persuasive in deferring to a mechanism chosen by the House to diminish the arbitrariness recognized by the Court in *Brewster*. Surely, a system designed to vest the initial judgment of whether and under what objective standards to review allegations of Member misconduct in an independent Commission would address many of the concerns articulated by the Court in *Brewster*.

Finally, it is difficult to conceive of grounds upon which the Court would void a delegation of investigative authority to an outside commission when the Congress has already vested broad jurisdiction in the Department of Justice over the investigation and prosecution of Members for a vast array of criminal offenses. *See e.g.*, 18 U.S.C. § 201 (Members of Congress within definition of public officials prosecutable under statute for bribery). The Supreme Court laid to rest any suggestion that Members of Congress were outside the reach of the criminal laws when it held that the immunity from arrest clause[3] (Members "shall in all cases, except Treason, Felony and Bread of the Peace be privileged from Arrest during their attendance at the Session of their respective Houses…") of the Constitution did not shield Members from prosecution for subornation of perjury. In *Williamson v. United States,* 207 U.S. 425 (1908), the Court rejected a claim made by a Member convicted of subornation of perjury in proceedings for the purchase of public lands that he could not be arrested, convicted or imprisoned for any crime other than treason, felony or breach of the peace.

In conclusion, nothing in the text of the Constitution or the jurisprudence interpreting the separation of powers embodied therein offers any basis for asserting that Congress lacks the power to structure its self-disciplinary as it sees fit, including the creation of an outside independent body to investigate ethical breaches and recommend appropriate discipline to the House.

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[3] **U.S. Const., art. I, § 6, cl.1.**

Appendix B

An independent ethics commission for Congress is constitutional and can work. That was the consensus of a group of experts who discussed the issue on Monday, Jan. 23 at the National Press Club in Washington.

The panel, convened by Common Cause, was moderated by Common Cause President and CEO **Chellie Pingree**. Speakers included: **Norman Ornstein**, resident scholar and congressional expert at the American Enterprise Institute; **Stanley Brand**, founding partner, Brand Law Groups, and a former counsel to the U.S. House of Representatives, and **Dennis Thompson**, Alfred North Whitehead Professor of Political Philosophy at Harvard University's Kennedy School of Government and founding director of the Edmond J. Safra Foundation Center for Ethics. Providing a real-world prospective were the executive directors of two successful state ethics commissions – **The Hon. Anthony Wilhoit**, Kentucky Legislative Ethics Commission, and **Bonnie Williams**, State of Florida Commission on Ethics.

Pingree stated that Common Cause had lobbied for an independent ethics commission for years as a way to ensure that members are held accountable for their conduct. The need for a commission is even more pronounced at a time when Congress is under the cloud of multiple scandals, and where ethics rules are "routinely flouted." This is an idea whose time has come," she said. "New rules and new prohibitions around lobbying and ethics won't mean anything without credible enforcement. A number of states have already created independent ethics commissions because of the inherent problems of peer review for elected officials. Washington should follow their lead."

Why An Ethics Commission is Needed Now

Norman Ornstein said that one would have to go back to the "gilded age" of the 1880s, when "robber barons brought large sums of money" to Washington to advance their agendas to find an era of ethical misconduct that best categorizes Congress's current ethical malaise. The robber barons' money "sloshing around Washington sounds an awful lot like the K Street Project with amounts adjusted for inflation," Ornstein said.

The problem, he added, was that "while Congress has a constitutional responsibility to police itself," congressional ethics panels "are damned if they do and damned if they don't", struggling against accusations that they are waging political vendettas if they pursue ethics investigations or that they are declining to do any enforcement that they are protecting the "old boy network" of incumbents.

In the 1990s, he noted, "the ethics process was used as a weapon. Some charges [against Members] were real, and some were trumped up. But now, we've had the other extreme, an informal truce and the banning of outside complaints."

Ornstein concluded that there has to be "a better way" to strike a balance with a process that brings in outsiders – perhaps formers members and former staffers with demonstrated integrity, with the power to investigate and issues recommendations to the House and Senate.

Are Ethics Commissions Constitutional?

Stan Brand said that he now was convinced that an independent ethics commission for Congress could pass constitutional muster. Decades ago, during the Koreagate scandal, Brand said, Congress hired an independent counsel, Leon Jaworski, convened 16 public hearings, conducted more than 700 interviews, and "the House voted disciplinary sanctions on three sitting members."

But in 2006, there is no functioning process for oversight of members, Brand said, who added that the Justice Department is already beginning to fill that vacuum.

"Congress can constitutionally delegate to an outside body the initial steps for investigating [members and staff] and making recommendations to Congress," Brand said. Noting that the states are "many times ahead of the federal government" in ethics and other reforms, he stressed that an independent ethics commission would be constitutional because the House and Senate would retain the final authority to ratify the recommendations and findings of the commission and to approve them.

Professor Thompson agreed, adding that the notion that "self-regulation is wrong on principle. Nobody should be the judge of his own cause." Thompson noted that even members with the best intentions would find themselves in a conflict of interest because they would be not only thinking about the impact of their recommendations of their colleagues, but also its political ramifications for their parties "with an eye on the [next] elections."

Thompson agreed that final decisions ought to still be left to the House and Senate, but added that the concept of an independent ethics commission "ought to be welcomed" by Congress. "Nobody wants to serve on ethics committees," Thompson said. He added that an independent commission would actually "reduce incentives for [Members or others] to file false charges" because an independent body would have the power to "say this charge is frivolous."

Can Ethics Commissions Be Effective?

Both the Florida and Kentucky ethics commissions were created because of legislative scandals. In both cases, legislators approached the process with wariness and suspicion. But in both states, the commissions have worked well and legislators have grown to trust them.

Kentucky has a nine-member ethics board; four members are named by the Speaker of the House, and four by the President of the Senate. The ninth member must be chosen by the combined leadership of the House and Senate. At least three members must be from the minority party. Commissioners must be nonpartisan, without a history of fundraising for legislators or the governor, Wilhoit said. He added that the political leaders have been "very careful about who they appoint, and it's worked very well."

Commissioners earn $100 per diem and rely on a small enforcement counsel staff to investigate complaints. Citizens may file complaints, as may the enforcement counsel, but the Commission as a body cannot file a complaint, Wilhoit said. The commission oversees the ethical conduct of legislators, lobbyists and the employers of lobbyists.

"Initially there was bad blood between the Commission and the legislators," Wilhoit said, but added that bad feelings dissipated as the Commission "worked with legislators" to help them avoid "ethical lapses." Since there are penalties for filing frivolous complaints, Wilhoit said that the actual number of complaints filed against legislators has actually declined in the eight years the commission has operated.

Florida has had an ethics commission since 1974, said Williams. The Governor appoints five members, the House and Senate leaders appoint the rest, and no more than three can be from the same political party. Generally, Williams said, the Commission operates with a one-vote majority for the party in power. "These are political appointees," she concedes, but adds that unlike the members of the Federal Election Commission, "our members see it as a kind of calling."

Commissioners strive to be nonpartisan and have jurisdiction over all offices and employees, both state and local, including state legislators, but excluding judges. The Commission has the power to investigate complaints, and make its determinations, but leaves "final action" on a complaint to the legislature.

The Commission investigates only after a complaint is filed. Sworn complaints may be filed by members of the public.

Williams stressed that investigators are not out to play "gotcha." "Investigators look to find the truth. There is no prosecutorial bias and we are known for our fairness."

Next Steps

The panel is part of an ongoing process by Common Cause to come up with a workable solution to the ethics crisis facing Congress. While individual panelists disagreed on some of the nuts and bolts on what an independent commission would look like, they all agreed that ethics enforcement was a key to any reform package, and that members of Congress should be assisted in this task by some type of independent body.

No system may be perfect, they agreed. But as Harvard's Thompson observed: "Anything would be better than the current system."

Appendix C

Campaign Legal Center ● Common Cause ● Democracy 21
League of Women Voters ● Public Citizen ● U.S. PIRG

March 29, 2006

The United States Senate failed the American people today.

The Senate failed to pass effective lobbying and ethics reform legislation, and failed to address the biggest lobbying and ethics problems facing the Senate.

As Washington lobbyist Jack Abramoff was being sentenced today in one of the criminal cases brought against him, a majority of Senators were choosing to ignore deep public concerns about the corruption and lobbying scandals in Washington that Abramoff symbolizes.

Our organizations issued six benchmarks for lobbying and ethics reform on January 23, 2006. Enclosed with this statement is our report card on the Senate's performance on these six benchmarks. It is not a report card that any child would like to take home to their parents.

A majority of Senators, for example, voted against the establishment of an Office of Public Integrity for the Senate. The Office was proposed to address the biggest ethics problem facing the institution, the absence of a publicly credible and publicly acceptable system for enforcing the Senate ethics rules.

The defense of the current system by Senate Ethics Committee Chairman George Voinovich (R-OH) came down to the public equivalent of "Trust us. We're doing a good job. We just can't tell you what we are doing."

That is not good enough for the American people.

Our organizations will continue to work for the establishment of an independent, impartial Office of Public Integrity in the Senate to help ensure that the Senate ethics rules are enforced.

The Senate lobbying bill also fails to provide any new restrictions on privately-funded travel for Members. The bill also fails to stop Members from treating corporate planes as their own private air force. The bill also fails to stop lobbyists from financing

lavish parties for Members. These are all areas of great abuse that will now continue unabated.

The Senate lobbying bill also fails to require disclosure of numerous ways in which lobbyists provide financial help for Members, such as soliciting and bundling campaign contributions for Members, paying for Members' parties, making contributions to foundations and other entities controlled by Members and paying for Members' events, including conferences and retreats.

We recognize that the legislation does make improvements in a number of areas, including a ban of gifts from lobbyists, quarterly reports by lobbyists that are searchable on the Internet, disclosure for the first time of spending on grassroots lobbying activities, and disclosure for the first time of fundraisers held by lobbyists for Members and other federal candidates.

These positive features of the legislation, however, do not compensate for the greater failures of the Senate to address its most important lobbying and ethics problems.

We greatly appreciate the outstanding leadership provided for strong and effective lobbying and ethics reforms during this effort by Senators Susan Collins (R-ME) and Joe Lieberman (D-CT), the Chairman and Ranking Democrat on the Homeland Security and Governmental Affairs Committee, and by Senators Barack Obama (D-IL), John McCain (R-AZ) and Russell Feingold (D-WI).

We very much regret that a majority of Senators did not support their efforts; if they had we would be looking at a very different result.

Instead the Senate has chosen to reject essential lobbying and ethics reforms.

The American people will not be fooled.

Senate Scorecard on Six Benchmarks for Lobbying and Ethics Reforms Issued By Reform Groups on January 23, 2006

1. **<u>Break the nexus between lobbyists, money and lawmakers.</u>**

   Cap contributions from lobbyists and lobbying firm PACs to federal candidates at $200 per election and to national parties and leadership PACs at $500 per election cycle.

   Prohibit lobbyists and lobbying firms from soliciting, arranging or delivering contributions and from serving as officials on candidate campaign committees and leadership PACs.

   Prohibit lobbyists, lobbying firms and lobbying organizations from paying or arranging payments for events "honoring" members of Congress and political parties, such as parties at national conventions, and from contributing or arranging contributions to entities established or controlled by members of Congress, such as foundations.

The Senate bill does nothing to break the lobbyist-money- lawmaker nexus. It does not impose any new limits on campaign contributions from lobbyists or fundraising done by lobbyists for Members, or any new limits on the various ways lobbyists or their employers provide financial benefits to Members, such as paying for parties to "honor" Members, or for Members' retreats, conferences and other events. **GRADE: F**

2. **<u>Prevent private interests from financing trips and from subsidizing travel for members of Congress and staff, and executive branch officials and federal judges</u>.**

   Corporations and others should be prohibited from making privately-owned planes available for Members to travel at the cost of a first class air ticket rather than the cost of a chartered plane.

The Senate bill does nothing on this. It adds no new restrictions on privately-funded trips for Members and other federal officials and does not require Members to pay fair market value, or charter rates, for the use of corporate planes. **GRADE: F**

3. **<u>Ban gifts to members of Congress and staff</u>.**

   The gift ban should close the existing loophole in the gift rules that allow lobbyists and others to pay for parties held to "honor" or "recognize" specific Members, such as the lavish parties held at the national party conventions.

The Senate bill bans gifts from lobbyists, including meals, but the ban does not apply to the organizations that employ the lobbyists and does not prevent lobbyists from paying for lavish parties to "honor" Members. ***GRADE: C***

4. **<u>Oversee and enforce ethics rules and lobbying laws through an independent congressional Office of Public Integrity and increase penalties for violations</u>.**

   Establish an independent Office of Public Integrity in Congress and provide sufficient resources for the Office to effectively carry out its responsibilities.

The proposal to establish an Office of Public Integrity sponsored by Senators Collins, Lieberman, Obama and McCain was defeated on the Senate floor. The legislation does nothing to improve enforcement of congressional ethics rules. **GRADE: F**

5. **<u>Slow the revolving door</u>.**

   Prohibit members of Congress and senior executive branch officials from making lobbying contacts or conducting lobbying activities for compensation in either branch for two years after leaving their positions.

   Prohibit senior congressional staff from making lobbying contacts for compensation with their former offices or committees for two years after leaving their positions.

The bill extends the current revolving door ban on direct lobbying of Congress from one to two years, but does not broaden the scope of the ban for Members to include "lobbying activities" – organizing and directing a lobbying campaign. **GRADE: C**

6. **<u>Place sunshine on lobbying activities and financial disclosure reports</u>.**

   Require lobbying reports and Members' financial disclosure reports to be filed in an electronic format and made fully searchable on the Internet; lobbying reports to be filed on a quarterly basis; lobbyists and lobbying firms to disclose grassroots lobbying activities; lobbyists to file a list of the Members' offices and congressional committees they lobbied during the quarter; and reports to be filed disclosing the financial backers of stealth lobbying coalitions.

The bill improves disclosure by requiring quarterly reporting by lobbyists, and requiring the creation of an electronic database on the Internet. The bill requires, for the first time, disclosure of grassroots lobbying requirements and improves disclosure by stealth lobbying coalitions. The bill requires lobbyists to disclose on an annual basis the contributions they make to federal candidates, leadership PACs and political parties, and to disclose the fundraising events they hold for Members. The bill does not require

disclosure, however, of numerous other ways that lobbyists provide financial benefits to Members, such as paying for parties to "honor" Members, or contributions to foundations or other entities controlled by Members and does not include any requirement to list the offices contacted by a lobbyist. **GRADE: B**