Honest Leadership and Open Government Act of 2007: The Role of the Clerk of the House and Secretary of the Senate

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Summary

On September 14, 2007, President George W. Bush signed S. 1, the Honest Leadership and Open Government Act of 2007 (P.L. 110-81), into law. The Honest Leadership and Open Government Act (HLOGA) amended the Lobbying Disclosure Act of 1995 (P.L. 104-65, as amended) to provide, among other changes to federal law and House and Senate rules, additional and more frequent disclosures of lobbying contacts and activities. This report focuses on the role of the Clerk of the House and the Secretary of the Senate in implementing the new lobbying registration and disclosure requirements and provides an overview of the new guidance document they have jointly issued.

Under the HLOGA and its predecessors, the Clerk of the House and the Secretary of the Senate manage the registration, filing process, and the collection of documents submitted by the lobbying community. Prior to the HLOGA, lobbyists were required to file documents with both the Clerk and the Secretary. These forms are now filed electronically and jointly. In addition, the Clerk and the Secretary are responsible for making documents publicly available and reporting incorrect or false filings to the U.S. attorney for the District of Columbia.

To provide direction to the lobbying community, the Clerk of the House and the Secretary of the Senate jointly issued a guidance document for HLOGA in December 2007. The guidance document identifies eight substantive changes to the 1995 Lobbying Disclosure Act, and discusses how the Clerk and Secretary interpret and plan to implement the HLOGA’s new provisions. In addition, the guidance document provides direction on successful completion of quarterly registration and disclosure documents, the new semi-annual reporting requirement, and interpretation of the Clerk and Secretary’s role in referring the new criminal and civil penalties for filing incorrect or false information to the U.S. attorney. On May 29, 2008, the guidance document was updated to reflect additional guidance on semi-annual reporting requirements under HLOGA Section 203.

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Background

During the past six decades, Congress on four occasions has approved legislation designed to regulate lobbyist contacts with Members of Congress. The initial provisions, which were contained in the Legislative Reorganization Act of 1946, required that lobbyists register with the House of Representatives and the Senate, and disclose certain receipts and expenditures. In 1995, Congress passed, and the President signed into law, the Lobbying Disclosure Act, which repealed the 1946 act and created a detailed system of reporting thresholds. In 1998, technical amendments to the 1995 law were passed. Finally, in 2007, Congress amended the 1995 act to further enhance disclosure and reporting requirements for lobbyists and lobbying firms.

The Lobbying Disclosure Act (LDA) of 1995 provided specific thresholds and clear definitions of lobbying activities, lobbying contacts, and who is a lobbyist, compared to the 1946 act. In reporting the LDA, the House Judiciary Committee summarized the need for new lobbying provisions:

The Act is designed to strengthen public confidence in government by replacing the existing patchwork of lobbying disclosure laws with a single, uniform statute which covers the activities of all professional lobbyists. The Act streamlines disclosure requirements to ensure that meaningful information is provided and requires all professional lobbyists to register and file regular, semiannual reports identifying their clients, the issues on which they lobby, and the amount of their compensation. It also creates a more effective and equitable system for administering and enforcing the disclosure requirements.

The technical amendments made to the LDA in 1998 clarified the definition of covered executive branch officials, more clearly defined what constitutes a lobbying contact, and provided that organizations, whose lobbying activities are limited by

1 P.L. 79-601, 60 Stat. 839-842, Aug. 2, 1946. Title III of the Legislative Reorganization Act of 1946 is the “Federal Regulation of Lobbying Act.” It was the first law that required persons who lobbied Congress to register with the House of Representatives and the Senate.


their Internal Revenue Code non-profit status, could use their tax estimates to report lobbying activities. In reporting the 1998 technical amendments, the Senate Committee on Governmental Affairs explained the need for change:

Once the LDA was implemented by the Clerk of the House and the Secretary of the Senate, several minor problems with the language of the statute materialized. The offices of the Clerk and the Secretary have sought to interpret the LDA with respect to these problems in accordance with the original intent of the law, but it is necessary and appropriate to conform the language of the law to intent, and that is the motivation behind the introduction of S. 758.

The most recent amendments to the LDA, the Honest Leadership and Open Government Act of 2007 (HLOGA), mandated additional and more frequent disclosures.

Pursuant to the 1946 act, the 1995 LDA, as amended by the 1998 act, and the HLOGA, the Clerk of the House and the Secretary of the Senate have had joint responsibility for implementing systems to register lobbyists. Under the 1946 act, individuals, groups, and organizations involved in lobbying activities were required to keep detailed financial records, to file financial statements with the Clerk, and for lobbyists to register before engaging in lobbying activities and file quarterly reports with the Clerk and the Secretary. The Clerk was then required to maintain these records for two years.

The 1995 act, as amended, modified the responsibilities of the Clerk of the House and the Secretary of the Senate in registering lobbyists and collecting disclosure documents. In addition to collecting registration and disclosure documents from lobbyists, Section 6 required the Clerk and the Secretary to:

(1) provide guidance and assistance on the registration and reporting requirements of this Act and develop common standards, rules, and procedures for compliance with this Act;

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4 26 U.S.C. § 501(c)(3). 501(c)(3) organizations are “Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition ..., or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.” These organizations are limited in their lobbying by 2 U.S.C. § 1603(a)(3), 2 U.S.C. § 1604(b)(4), and 2 U.S.C. §1610(a).


(2) review, and, where necessary, verify and inquire to ensure the accuracy, completeness, and timeliness of registration and reports;

(3) develop filing, coding, and cross-indexing systems to carry out the purpose of this Act, including —

(A) a publicly available list of all registered lobbyists, lobbying firms, and their clients; and

(B) computerized systems designed to minimize the burden of filing and maximize public access to materials filed under this Act;

(4) make available for public inspection and copying at reasonable times the registrations and reports filed under this Act;

(5) retain registrations for a period of at least 6 years after they are terminated and reports for a period of at least 6 years after they are filed;

(6) compile and summarize, with respect to each semi-annual period, the information contained in registrations and reports filed with respect to such period in a clear and complete manner;

(7) notify any lobbyist or lobbying firm in writing that may be in noncompliance with this Act; and

(8) notify the United States Attorney for the District of Columbia that a lobbyist or lobbying firm may be in noncompliance with this Act, if the registrant has been notified in writing and has failed to provide an appropriate response within 60 days after notice was given under paragraph (7).7

The 2007 HLOGA further refined the role of the Clerk of the House and the Secretary of the Senate in collecting and reporting information on lobbyists under the LDA. The Clerk and the Secretary are required to register lobbyists and collect quarterly and semi-annual reports electronically; make registrations and filings available on the Internet; and review each registration and filing for accuracy, notify lobbyists of a misfiling, and refer appropriate cases to the U.S. attorney’s office for the District of Columbia.8 Pursuant to these responsibilities, the Clerk and the Secretary have chosen to use a single electronic filing system, whereby lobbyists and lobbying firms register once and documents are automatically transmitted to both the Clerk and the Secretary.9

Role of Clerk of the House and Secretary of the Senate

The Clerk of the House and the Secretary of the Senate are responsible for implementing lobbyist registration and disclosure provisions of the LDA, as amended by the HLOGA, for the House of Representatives and the Senate, respectively. As neither the Clerk nor the Secretary have rule-writing or regulatory authority under the LDA or its amendments, but are directed in law to provide guidance and assistance, they issued a joint guide to the registration and disclosure processes to inform lobbyists and the public of how they intend to carry out their duties. Under the HLOGA amendments, the first quarterly reports are required to be made by April 21, 2008, and new registrations continue to be required no later than 45 days after the first lobbying contact is made or an individual is employed to make a lobbying contact. All lobbyists and lobbying firms filing registration and disclosure statements are required to file with the Clerk of the House and the Secretary of the Senate through a joint portal maintained at [http://lobbyingdisclosure.house.gov], and also accessible through [http://www.senate.gov/lobby].

The Clerk of the House and the Secretary of the Senate have implemented an electronic filing system, are updating the review process for filings, have in place a system to notify those not in compliance before referral to the U.S. attorney, and have made registration and disclosure data publicly available on the Internet.

Electronic Filing. Prior to the HLOGA amendments, the LDA did not require electronic submission of registration and reporting documents. Under the 1995 act, as amended, the Secretary of the Senate provided lobbyists and lobbying firms the means to file electronically or to use paper forms. The Clerk of the House did not provide a method of electronic filing. The HLOGA amended Section 5 of the LDA to make electronic filing mandatory, except when an individual is amending documents filed under the previous system, or in instances where electronic filing is not possible for an individual with a condition covered by the Americans with Disabilities Act.

Pursuant to Section 5, as amended, the Clerk and Secretary have created a single electronic registration system, using the previous Senate system’s user ID and password protocols, and have developed a website that provides the necessary software applications to make all filings. The website has features for use on

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13 The Secretary of the Senate maintains a website [http://soprweb.senate.gov/] for lobbyists and lobbying firms to obtain user IDs and passwords online. When requesting a password, the information is simultaneously transmitted to both the Clerk of the House and Secretary of the Senate for immediate use.
14 U.S. Congress, Clerk of the House of Representatives, “Lobbying Disclosure Forms and (continued...
Microsoft Windows and Macintosh operating systems. Detailed instructions on the registration and disclosure process and a summary of filing requirements is available on both the House and Senate lobbying disclosure websites. The Clerk and the Secretary are responsible for maintaining the new electronic filing system website and for providing updated information in response to lobbyist questions and congressional amendments.

**Civil and Criminal Penalties.** 2 U.S.C. § 1605 (7) and (8), as amended by HLOGA § 210, requires the Clerk and the Secretary to notify lobbyists of noncompliance and to notify the U.S. attorney for the District of Columbia of a lobbyist’s or lobbying firm’s noncompliance, after giving 60 days’ notice.16

The Clerk of the House’s Legislative Resource Center and the Secretary of the Senate’s Office of Public Records have been given responsibility for reviewing each filing to ensure accuracy and for issuing notices to those who have not complied. If a notice is issued to a registrant, the registrant has 60 days to respond, after which the Clerk and the Secretary may forward instances of noncompliance to the U.S. attorney’s office for the District of Columbia.

**Publicly Available Registration and Disclosure Data.** 2 U.S.C. § 1605 (3), (4), and (5), as amended by HLOGA § 209, instructs the Clerk of the House and the Secretary of the Senate to make registration and disclosure information publicly available for at least six years.

(3) develop filing, coding, and cross-indexing systems to carry out the purpose of this Act, including — (A) a publicly available list of all registered lobbyists, lobbying firms, and their clients; and (B) computerized systems designed to minimize the burden of filing and maximize public access to materials filed under this Act; (4) make available for public inspection and copying at reasonable times the registrations and reports filed under this Act; (5) retain registrations for a period of at least 6 years after they are terminated and reports for a period of at least 6 years after they are filed.17

To satisfy the requirements of Section 6 of the LDA, as amended by the HLOGA, the Clerk of the House and the Secretary of the Senate established websites

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14 (...continued)


16 P.L. 104-65, 109 Stat. 699, Dec. 19, 1995. The LDA states that the Clerk of the House and the Secretary of the Senate must “(7) notify any lobbyist or lobbying firm in writing that may be in noncompliance with this Act; and (8) notify the United States Attorney for the District of Columbia that a lobbyist or lobbying firm may be in noncompliance with this Act, if the registrant has been notified in writing and has failed to provide an appropriate response within 60 days after notice was given under paragraph (7).”

for the public to inspect registration and disclosure documents on the Internet.\(^{18}\) The Lobbying Disclosure Act Guidelines (Section 10) state that the Clerk and the Secretary will use the Internet to deliver the content of the reports.\(^{19}\)

Currently, the Clerk maintains a website with information on eight public disclosure statements that Members of the House are required to complete. The required documents are: Federal Election Campaign Reports; Financial Disclosure Reports; samples of Franked Materials (Mass Mailings); Gift and Travel Filings; Foreign Travel Reports and Expenditures; Legal Expense Fund Disclosures; and Post-Employment Notifications.\(^{20}\) The Clerk also has online registration and disclosure information filed under the LDA.\(^{21}\)

The Secretary of the Senate, through the office of Public Records, provides electronic access to the LDA disclosures since 1999.\(^{22}\) The Secretary also maintains a public website listing registered lobbying firms and their Senate identification numbers.\(^{23}\) Additionally, the Public Records site can be queried for information on individuals who have left Senate service and are subject to post-employment restrictions and for information on privately sponsored travel.

**Lobbying Disclosure Guidance Document**

The HLOGA lobbying provisions are effective as of January 1, 2008. As required by Section 6 of the LDA,\(^{24}\) the Clerk of the House and the Secretary of the


\(^{24}\) Pursuant to Section 6 of the LDA, “The Secretary of the Senate and the Clerk of the House of Representatives shall (1) provide guidance and assistance on the registration and reporting requirements of this Act and develop common standards, rules and procedures for (continued...)
Senate on December 10, 2007, issued a revised joint document providing guidance to lobbyists. This guidance document was updated on May 29, 2008. The guidance document is posted on both the Clerk of the House’s and Secretary of the Senate’s lobbying websites.

The guidance document is divided into 12 sections. The LDA does not provide the Clerk of the House and the Secretary of the Senate with the authority to write regulations or issue opinions on the law. The guidance document is only meant as an interpretation of the law, and is not enforceable as law. A brief summary of the 12 sections of the guidance document follows:

- **Section 1 - Introduction.** Provides background information on the LDA and the responsibilities of the Clerk of the House and the Secretary of the Senate in providing guidance to the lobbying community.

- **Section 2 - What is New?** Identifies eight substantive changes to the LDA made by the HLOGA, as well as changes to the two disclosure forms previously used to file semi-annual reports. The eight areas of substantive change are: quarterly filing of lobbying reports; reduction in the registration and reporting thresholds; additional disclosure of a state or local government client; semiannual reports of certain contributions; revised definition of affiliation; additional disclosure of past governmental employment; mandatory electronic filing of LDA documents; and increased civil and criminal penalties.

- **Section 3 - Definitions.** Repeats terms defined in the LDA. These terms include affiliated organizations, reports of certain contributions, client, covered executive and legislative branch officials, lobbying activities, lobbying contact, lobbying firm, lobbying registration, lobbying report, lobbying, and public official.

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24 (...continued) compliance with this Act; [and] (2) review, and, where necessary, verify and inquire to ensure the accuracy, completeness and timeliness of registrations and reports[,]” (2 U.S.C. §1605).


among others. Section 3 also adds the definition of “actively participates” from Section 207 of HLOGA.

- **Section 4 - Lobbying Registration.** Explains the lobbying registration process, including who must register and when registrations are necessary. This section also clarifies the preparations for filing registrations, exceptions to lobbying contacts, the 20% activity threshold, the difference between a lobbying contact and lobbying activity, alternative reporting methods, and the relationship between the 20% activity and monetary thresholds. For each area, the guidance document provides examples to help illustrate the operation of a provision for the lobbying community.

- **Section 5 - Special Registration Circumstances.** Outlines conditions that could affect the registration of lobbyists or lobbying firms under the LDA. These special circumstances include lobbying firms retained by contingent fees; registration by entities with subsidiaries or state and local affiliates; the effect of mergers and acquisitions; registration for associations, coalitions, churches, and associations of churches; registration for firms hired by churches or church associations; and the registration of professional associations of elected officials.

- **Section 6 - Quarterly Reporting of Lobbying Activities.** Explains when and why quarterly reports are needed, and provides instructions on how to complete lobbying disclosure forms LD-1 and LD-2. In addition, Section 6 defines how to report firm

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28 2 U.S.C. § 1602 (7) defines “lobbying activities.” A “lobbyist” is someone who makes more than one “lobbying contact” and spends at least 20% of his or her time engaged in “lobbying activities” for his or her client or employer. Additionally, as a requirement to register, the lobbyist must have received at least $2,500 in a quarterly reporting period from a client, or, if an in-house lobbyist, the organization had to spend at least $10,000 on “lobbying activities.”

29 Form LD-1 is the lobbying registration form used for initial registration by a lobbyist or lobbying firm. Updated copies of Form LD-1 can be found on the House of Representatives lobbying website [http://lobbyingdisclosure.house.gov/help/default.htm?url=WordDocuments/downloadforms.htm], accessed June 2, 2008. Pursuant to the HLOGA amendments, form LD-1 is filed only online through the House of Representatives lobbying website. Registrants no longer file separate copies of LD-1 with the Secretary of the Senate. A detailed guide to filing reports is available through the House website [http://lobbyingdisclosure.house.gov/ld_user_guide.pdf], accessed June 2, 2008.

30 Form LD-2 is the lobbying report form used by lobbyists and lobbying firms to fulfill their quarterly reporting requirement. Updated copies of form LD-2 can be found on the House of Representatives lobbying website at [http://lobbyingdisclosure.house.gov/help/default.htm?url=WordDocuments/downloadforms.htm], accessed June 2, 2008. Pursuant to the HLOGA amendments, form LD-2 is filed only online through the House of Representatives lobbying website. Registrants no longer file separate copies of LD-2 with the Secretary of the Senate. A detailed guide to filing reports is available through the House (continued...)
income, indicates when it is appropriate to report income or expenses, and provides examples on the type of material that should be included in a quarterly report.

- **Section 7 - Semiannual Reporting of Certain Contributions.** Discusses when and why semiannual reports are needed, the basics of form LD-203, who is required to file LD-203, and the required contents of the semiannual report, including examples.

- **Section 8 - Termination.** Explains the procedure for the termination, for recording purposes, of a lobbyist from a lobbying firm or of a registrant’s relationship with a client.

- **Section 9 - Relationship of LDA to Other Statutes.** Briefly explains the relationship between LDA and three other statutes. These statutes are the Foreign Agents Registration Act (FARA), the Internal Revenue Code (IRC), and the False Statements Accountability Act of 1996.

- **Section 10 - Public Availability.** States that the LDA requires the Clerk of the House and the Secretary of the Senate “to make all registrations and reports available for public inspection over the Internet as soon as technically practicable after the report is filed.”

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30 (...continued)


31 Form LD-203 is the lobbying report form used by lobbyists and lobbying firms to fulfill their semi-annual reporting requirement. It is currently unavailable on the lobbying disclosure website [http://lobbyingdisclosure.house.gov/], accessed June 2, 2008.

32 All “active” registrants and individuals who are listed as active lobbyists by their employer on forms LD-1 and LD-2 are required to file form LD-203 by July 30 and January 30 (or the next business day should either occur on a weekend or holiday). A registrant or individual is “active” if they have not submitted a termination form pursuant to section 8 of the guidance document.


- **Section 11 - Review and Compliance.** States that the Clerk of the House’s Legislative Resource Center and the Secretary of the Senate’s Office of Public Records “must review, verify, and request corrections in writing to ensure the accuracy, completeness, and timeliness of registrations and reports filed under the Act.”

- **Section 12 - Penalties.** Restates the civil and criminal penalties for filing incorrect or false information.

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37 Ibid.

38 2 U.S.C. §1606, as amended. The HLOGA amends the LDA to establish the following penalties: “(a) Civil Penalty - Whoever knowingly fails to — (1) remedy a defective filing within 60 days after notice of such a defect by the Secretary of the Senate or the Clerk of the House of Representatives; or (2) comply with any other provision of this chapter; shall, upon proof of such knowing violation by a preponderance of the evidence, be subject to a civil fine of not more than $200,000, depending on the extent and gravity of the violation. (b) Criminal Penalty — Whoever knowingly and corruptly fails to comply with any provision of this Act shall be imprisoned for not more than 5 years or fined under title 18, United States Code, or both.”