

Ethics and Lobbying in Washington and at the State Level



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Corporate Lobbying Overview

- Most major corporations either hire lobbyists to promote their interests as intermediaries or maintain in-house government relations departments
- Lobbyists are required by law to register with the Senate and House of Representatives and file disclosure reports six times a year
- “...Lobbyists play a useful role in educating lawmakers and staff about complex issues. Lobbying rules touch on the constitutional right of citizens to petition their government, so it's important that restrictions be drawn carefully.” – *The Washington Post*
- Political Action Committees (PACs) allow individuals with similar interests to pool funds together to support like-minded candidates

The landscape is changing

White House Ethics Initiatives

- Slow the revolving door between private & public sectors
- Restrict lobbying on stimulus package
- Ban lobbyists from serving on advisory boards & commissions
- Release records of who is visiting the White House

Silicon Valley is well-positioned in the eyes of Washington:



But Silicon Valley also has room for growth

- **Meritocracy** – Silicon Valley might be a meritocracy, but Capitol Hill isn't always one
- **Less Regulated** – Hasn't needed intense lobbying because the industry is less regulated than others
- **3,000 Miles Away** – Geographic distance creates mental distance
- **Money Talks** – Traditionally less active with political contributions
- **Lots of Voices** – Industry isn't consolidated and represented by one association



Effective Lobbying

- Maintain a strong ethical compass/know the rules
- Become trusted advisors
- Build relationships and understand their issues
- Use experts to make the case
- Know the political landscape – re-election, constituencies, agendas
- Understand the motivations of opponents
- Help legislators communicate and sell their point of view
- Recognize fundraising realities
- Work with opponents and different constituencies toward a common goal

Ethical Lobbying

- Adhere to spirit/letter of law
- Report *everything*
- Work through registered lobbyists
- Engage experts to make case
- Support transparent fundraising
- Avoid fundraising events during legislative sessions or close to votes
- Limit contributions to independent expenditure campaigns (lack of transparency)
- Increasingly differentiate between policy and political government affairs work

Unethical Lobbying

- Mixing political with policy
- Misleading, not telling the truth
- Threatening people
- Providing incentives for a vote
- Selling product, not policy
- “Astroturf” grassroots campaigns
- Taking advantage of relationships

Case study: Pretexting

■ Lessons Learned

- Take responsibility at the top – CEO testimony
- Communicate quickly, clearly, effectively
- Maintain strong relationships (even when you don't need them) –
 - turned a one week story into an aberration, not the norm
- Raise issue with government officials immediately
- Support government action to address problem (even if it reminds people of your mistake)
- Listen to your internal ethical compass