



MEMORANDUM

TO: Rice Administrators and Faculty
FROM: Richard A. Zansitis, General Counsel
Linda Thrane, Vice President for Public Affairs
RE: Federal Lobbying – Ethics Reporting and Compliance
DATE: Oct. 3, 2008

On Sept. 14, 2007, Congress passed the “Honest Leadership and Open Government Act of 2007” (HLOGA). This law significantly tightened federal ethics rules, increased reporting requirements and enhanced civil and criminal penalties for violations of the law. This memorandum is intended to provide guidance to Rice University faculty and administrators on the new HLOGA requirements.

HLOGA primarily focuses on institutions and corporations that employ a contract or in-house lobbyist and restricts a variety of actions that were previously allowed. Because Rice employs a registered, full-time federal lobbyist and retains the services of lobby firm in Washington, D.C., to assist with appropriations and agency contacts, Rice and its employees are subject to these heightened restrictions. If any faculty or staff member is uncertain whether any particular contact with an executive branch or legislative branch official comes within these requirements, they should contact Rice Government Relations Director Ray Martinez, Linda Thrane or the General Counsel’s Office for guidance prior to making the contact.

IMPORTANT DEFINITIONS IN HLOGA

Covered Executive Branch Official:

- The President
- The Vice President
- Officers and employees of the Executive Office of the President
- Any official serving in an Executive Level I through V position
- Any member of the uniformed services serving at grade 07 or above
- Schedule C political appointees.

Covered Legislative Branch Official:

- A Member of Congress
- An elected Officer of either the House or the Senate
- An employee, or any other individual functioning in the capacity of an employee, who works for a
- Member, committee, leadership staff of either the Senate or House, a joint committee of Congress, a working group or caucus organized to provide services to Members, and any other Legislative Branch employee serving in a position described under section 109(13) of the Ethics in Government Act of 1978.

LOBBYING DISCLOSURE REPORTS

The Office of Government Relations will compile all reports for Rice and ensure that reporting is done on a timely basis. ***To perform this task, full cooperation and disclosure from all Rice personnel is required.*** Information that needs to be provided on a quarterly basis includes:

- Time spent lobbying a covered legislative and/or executive branch official(s)
- Title of covered official(s)
- Time spent preparing for lobbying activity (i.e., work done with the intent that the results will be used for lobbying contact)
- Total amount of financial expenditures related to lobbying activities (i.e., travel, meals, entertainment, etc.)
- Exceptions which do not need to be reported include: testimony given before Congress; providing information in response to a congressional member (or staff) as well as a federal agency; and preparing information for a grant request.

EXAMPLE 1:

Ray,

I met with John Smith who is the legislative director for Congressman Benjamin Franklin at 2:00 PM on February 30, 2009 to discuss a nanoscience research initiative at Rice. The meeting with Mr. Smith lasted for approximately 20 minutes and I shared a presentation with him describing how Rice would use earmarked funds to dramatically enhance the use of nanotechnology in alternative energy solutions. The presentation was prepared specifically for my visit to congressional staff and agency representatives in Washington, DC and I spent approximately two hours preparing the presentation.

At 4:00 PM on February 30, 2009, I met with Dr. Gimme Sun, the deputy director of the Department Energy for solar energy systems and used the same presentation described above.

The total cost of my trip to DC was \$1,000 for airfare, \$200 for meals, and \$30 for local transportation. Approximately, 10% of the time I was in DC was spent discussing the nanoscience initiative with Mr. Smith and Dr. Sun, so I am estimating that I spent \$123 on lobbying activities. The remainder of my time was spent working with collaborators at Georgetown University on research.

Thanks.

Compliant faculty member X

EXAMPLE 2:

Ray,

In returning home from an NSF Panel review, I happened to sit next to Congressman I. Love-Rice on the airplane. During the flight, I lobbied for Rice's Quantum Wire initiative and gave Representative I. Love-Rice several carbon nanotubes of negligible value. The conversation about the quantum wire project lasted the duration of the 2.5 hour flight. No funds were expended specifically for this lobbying activity.

Thanks

Compliant VPR

GIFTS

Under the new federal ethics requirements, all Rice University personnel are restricted from providing gifts of any kind to covered legislative and/or executive branch official. ***Importantly, the “\$50 or less” exception used under previous ethics rules is no longer in effect!*** Prohibited gifts include the following:

- Meals, alcoholic beverages, parking fees, etc.
- Tickets to sporting events or concerts
- Travel or hotel accommodations.

EXCEPTIONS TO THE GIFT RULE

- Personal Friendship of up to \$250: In order to utilize this exception there must have been an established history of, not only friendship, *but mutual gift giving between the parties*.
- Nominal foods at a meeting, such as bagel, coffee, muffin, etc.
- An item of nominal value, such as a greeting card, baseball cap and t-shirt (i.e., not something of equal value to a t-shirt, but a t-shirt *only*).
- Books or other informational material
- Special plaques or awards
- Meals at special meetings of groups of constituents, as long as a lobbyist is not in attendance (i.e., civic group, student group, etc.)
- Any political donation lawfully made under the Federal Election Campaign Act.
- Large events: educational events (lectures, seminars, etc.) only for the House of Representatives are also permitted as long as no specific legislation is discussed
- Members and staff are also permitted to attend free events, such as business meetings or receptions, if the food and drinks provided are of nominal value.

ACCOUNTABILITY AND PUNISHMENT

The new federal ethics rules broaden accountability for violations. If a faculty or staff member is found in violation of federal ethics laws, Rice University as an institution and the individual may be held liable. The penalties for violations have been significantly enhanced, with the maximum civil penalty raised to \$200,000 and criminal penalties of up to 5 years in prison.

CONCLUSION

All Rice University personnel who may wish to engage in lobbying activities are required to comply with this memorandum and to discuss the details of those proposed activities with the Office of Government Relations first in order to make sure that the university complies with HLOGA. Periodic audits by appropriate authorities may occur so proper reporting and timely record-keeping are absolutely necessary.

Since this brief memorandum cannot fully capture all of the important details of this new federal ethics law, please consult with Ray Martinez, director of the Office of Government Relations, for further information at (713) 348-6237 or via email at ray.martinez@rice.edu. Additional information on HGOLA can be found at the <http://www.senate.gov/legislative/resources/pdf/S1guidance.pdf> and at http://www.acenet.edu/AM/Template.cfm?Section=Legal_Issues_and_Policy_Briefs2&Template=/TaggedPage/TaggedPageDisplay.cfm&TPLID=66&ContentID=26302.