

K. Michael Conaway, Texas
Chairman
Linda T. Sánchez, California
Ranking Member



Thomas A. Rust
Staff Director and Chief Counsel

Joanne White
Administrative Staff Director

Jackie M. Barber
Counsel to the Chairman

Daniel J. Taylor
Counsel to the Ranking Member

1015 Longworth House Office Building
Washington, D.C. 20515-6328
Telephone: (202) 225-7103
Facsimile: (202) 225-7392

ONE HUNDRED THIRTEENTH CONGRESS

U.S. House of Representatives

COMMITTEE ON ETHICS

July 11, 2014

Pedro R. Pierluisi, Puerto Rico
Michael E. Capuano, Massachusetts
Yvette D. Clarke, New York
Ted Deutch, Florida

MEMORANDUM FOR ALL MEMBERS, OFFICERS, AND EMPLOYEES

FROM: Committee on Ethics
KMC K. Michael Conaway, Chairman
LS Linda T. Sánchez, Ranking Member

SUBJECT: Update to guidance on the disclosure of privately-sponsored travel

Earlier this year, the Committee adopted several changes to its guidance regarding financial disclosure reporting. Among them was a revision to no longer require limited reporting of officially connected, privately sponsored travel on annual financial disclosure reports, provided that a much more detailed, publicly available report of the trip had already been filed. Some recent press reports regarding this change have created confusion in the House community by suggesting that Members and House staff no longer have to make any disclosure of privately sponsored travel, that the public would no longer have access to any information about privately sponsored travel, and that the rules governing what types of privately sponsored travel are acceptable have been changed. None of that is correct.

We wish to take this opportunity to explain what the Committee actually changed in its financial disclosure guidance and why the Committee's nonpartisan staff recommended the change, remind the House community about public disclosure of privately sponsored travel, and announce that the Committee will return to using its prior guidance regarding reporting of these trips on financial disclosure reports.

Nothing about the change in financial disclosure reporting of privately sponsored travel changed the other rules that apply to such trips. The Ethics Committee continues to enforce the requirement that all House Members and staff who wish to accept privately sponsored travel must continue to seek approval from the Ethics Committee at least 30 days before the trip, receive approval from the Committee prior to the trip, and file detailed paperwork about any such private trip within 15 days of the trip. Restrictions about what types of privately sponsored travel may be accepted – including limits on involvement by registered lobbyists and the length of trips offered by entities that employ or retain registered lobbyists – also remain in effect. Again, none of these requirements have been changed or diluted in any way.

The House community should be aware that the limited disclosure of some details of privately sponsored travel by Members and a minority of staff many months after a trip – if not a year or longer – does not provide the House or the public with the same level of information as the already publicly available post-travel paperwork. This return to the Committee’s earlier guidance will not result in any additional substantive disclosure about privately sponsored travel or any faster disclosure, and will apply only to Members and the limited number of staff who file financial disclosure reports.

Accordingly, we encourage anyone who is looking for information about privately sponsored travel to use the searchable online database of detailed post-travel filings on the Clerk’s Web site. The public, the media, and outside groups have used this valuable resource for years and we anticipate that they will continue to do so.

It is possible that some financial disclosure filers who have already filed their calendar year 2013 financial disclosure report followed the Committee’s earlier public guidance on this issue, and therefore omitted privately sponsored travel from 2013 on their statement. Any such filer should provide that additional information to the Clerk by August 11, 2014. The Committee will also follow up with those filers to provide more information. Providing additional information about an already filed financial disclosure report is routine.

We are incredibly proud of the work the Committee does, and the strides the Committee’s Members and its staff have taken to improve the Committee and its processes. Both the Members of the Committee and its nonpartisan, professional staff are and remain steadfastly committed to effective and efficient public disclosure, and will continue to look for opportunities to improve the public filings required of Members, officers, and employees of the House.

This information is summarized in the following Q&A.

Q. What did the Committee change?

A. The Committee adopted several changes to its guidance regarding financial disclosure reporting that were recommended by its nonpartisan, professional staff. One of those changes was a revision to no longer require limited reporting of officially connected, privately sponsored travel on annual financial disclosure reports, provided that a much more detailed, publicly available report of the trip had already been filed with the Clerk. The nonpartisan staff recommended this change because the additional reporting of privately sponsored travel on financial disclosure reports is duplicative of information the filer has already reported and that is made publicly available in the same place online as financial disclosure reports.

The nonpartisan staff did not recommend – and the Committee did not adopt – any changes to the types of private travel that may be accepted or to the more detailed and more timely public disclosures already filed with the Clerk.

All other forms of travel reportable on a financial disclosure statement continue to be reported, i.e., travel provided by 1) a private source in connection with the outside business or other activities of the filer or the filer’s spouse (if the filer travels with the

spouse); 2) a non-federal political organization source for travel in connection with a campaign or fundraising event; 3) a nonprofit group in connection with filer's attendance at a charity fundraising event; and 4) a foreign government under the Mutual Educational and Cultural Exchange Act (MECEA).

Q. How did this change come about?

A. In the 113th Congress the Committee and its nonpartisan staff collaborated with the Clerk's office as that office developed the new online financial disclosure filing system made available earlier this year. As part of that process, the Committee's nonpartisan staff identified a number of changes they recommended be made to the financial disclosure forms and instructions. One of the proposed changes was with respect to privately sponsored travel.

Q. Why did the Committee only make a change to reduce what Members and senior staff have to disclose on their financial disclosure reports?

A. The change to eliminate the duplicative reporting of privately sponsored trips was just one of a number of changes the nonpartisan staff recommended and the Committee adopted. Some changes actually clarify that more – not less – reporting is required. For example, the Committee clarified that filers must report Member-to-Member, Member-to-staff, and staff-to-staff gifts that aggregate in value to more than \$350. This change requires more, not less, disclosure. Other changes may seem less substantive, but were also intended to increase convenience and efficiency. For example, the Committee reordered the various schedules that comprise an annual financial disclosure report. That was done both to help filers complete the reports in a more common sense order, and to improve readability and usefulness of the reports to the public.

Q. What does any of this have to do with efficiency? It seems like requiring financial disclosure filers to report privately sponsored travel a second time isn't that big a deal.

A. The Committee reviews and certifies all annual financial disclosure statements that Members, candidates, and senior staff are required to file, as well as all periodic transaction reports that Members and senior staff file. These are time-intensive reviews, which require the dedication of substantial staff resources to complete. In addition, the Committee's financial disclosure experts speak and meet regularly with individual Members and staff to pre-screen their reports to prevent and avoid the necessity of filing amendments, or to provide assistance in completing the reports.

In 2013, the Committee's nonpartisan staff reviewed 2,651 financial disclosure statements and 1,637 periodic transaction reports. Where the Committee's review indicated that a filed financial disclosure report had a deficiency, such as a failure to include required information, the Committee requested an amendment from the filer. Such amendments are routine and, without evidence of a knowing or willful violation, the Committee will usually take no further action. However, the process of reviewing filed reports, contacting filers to request an amendment, reviewing that amendment is time consuming.

In the past, a number of filers who have already properly filed public reports of privately sponsored travel have inadvertently failed to include the less detailed summary of the trip on a subsequent financial disclosure report. Identifying and contacting those filers, as well as following up to ensure they file an amendment, and then reviewing the amendment consumed valuable staff time – all for review of less information than was already publicly available. Moreover, requiring financial disclosure filers to report privately sponsored travel on an FD effectively requires the Committee to review a private trip three times: first, before the trip, to determine if it should be approved; second, after the trip, when the Committee reviews the post-travel paperwork; and third, when the Committee reviews the financial disclosure report.

Q. How did the Committee announce the change? I heard this was done secretly, and the Committee never told anyone about the change.

A. As in prior years, the Committee made copies of the financial disclosure instructions available to all Members and staff filers, and also made the instructions publicly available on its Web site. The instructions were publicly distributed months ago. All of the revisions to the financial disclosure guidance were prominently highlighted in the instruction booklet issued earlier this year on page 2, under the header “**REPORTING CHANGES FOR 2013-2014.**” (emphasis original). The guidance noted that filers would no longer be required to “report privately-sponsored travel that has been approved by the Committee and reported to the Clerk of the House. Privately-sponsored travel will continue to be disclosed on the Clerk’s Web site, www.clerk.house.gov, under the ‘Public Disclosure’ tab.” (emphasis added). In addition, more detailed instructions for completing the travel schedule, including a restatement of this change, was provided in the section of the instructions about travel, at pages 34-36.

Q. I saw a press story that said this change would have meant that no House Members or staff would be required to make any public disclosure of privately sponsored travel. Is that true?

A. No. To be clear, absolutely nothing was changed regarding the requirement that all Members and all House staff must file detailed, publicly available reports of privately sponsored travel within 15 days of the trip. That requirement has always remained in effect, and the Committee has and will continue to enforce it.

Q. I heard that I would no longer have to get Committee approval to go on a privately sponsored trip. Is that right?

A. No. To be clear, absolutely nothing was changed regarding the requirement that all Members and all House staff must seek and receive prior Committee approval to accept a privately sponsored trip. That includes a requirement that all Members and employees file detailed paperwork about a proposed trip at least 30 days before the start of the trip. That requirement has always remained in effect, and the Committee has and will continue to enforce it.

Q. But what about the press stories that said this means that lobbyists can now pay for lavish “junkets”?

A. This is not correct. All of the criteria that apply to what types of privately sponsored travel can be accepted by a Member or House employee remain unchanged. Among those requirements are prohibitions on lobbyist participation, and a one-day limit for trips offered by private sponsors that employ or retain registered lobbyists. In addition, registered lobbyists are prohibited from personally paying for privately sponsored travel. These requirements have always remained in effect, and the Committee has and will continue to enforce them.

Q. What is the Committee doing now?

A. In light of feedback we have received from our fellow Members and after further consideration, we have determined that the Committee will return to its previous guidance regarding disclosure of privately sponsored travel on financial disclosure reports, effective immediately. This revision is consistent with the Committee’s ongoing mission to enforce House ethics rules and standards in a manner that protects the integrity of the House, promote meaningful transparency and public disclosure, articulate standards for compliance that can be easily understood by the House community, and help Members and staff meet those standards.

Q. What does the return to the Committee’s previous guidance mean in practical terms?

A. To illustrate what the return to the previous guidance means, any Member or House staffer who accepted a privately sponsored trip during the current district work period and ending today, July 3, 2014, will have to file an extensive report of that trip with the Clerk by July 18, 2014 – just as they would have last year. The Clerk will promptly make that disclosure – including the actual cost of the trip – publicly available in a searchable online database. Members and senior staff who file financial disclosure statements next year – but not any other House staff – will also have to list the trip on the travel schedule of their calendar year 2014 financial disclosure statement. Financial disclosure reports covering 2014 will not be due until May 2015, and the travel schedules of calendar year 2014 financial disclosure reports will not include any information that will not have already been publicly available in a searchable database for 10 months.

Q. What about the claim that the travel paperwork filed with the Clerk is hard to find and inaccessible?

A. The House community and the public should know that public reports of all privately sponsored travel have been, and remain, easily accessible by the public in a searchable online database on the Clerk’s Web site. Any assertion that this information is inaccessible or more difficult to find than Members’ financial reports is inaccurate. In fact, the database of privately sponsored travel is on the very same web page of the Clerk’s Web site as the database of Members’ financial disclosure reports.

The Clerk’s easy to use database allows the public to search privately sponsored trips by Member name, travel dates, private sponsor name, destination, or any combination of

those fields. A user also has the option of downloading all private travel reports by year, going back to 2007.

The public, the media, and outside groups have used this valuable resource for years. We anticipate that they will continue to do so, and we encourage people who are looking for information about privately sponsored travel to look at the post-travel paperwork on the Clerk's Web site. For example, any news report or other publication that references a dollar total spent by private sponsors on this type of travel necessarily relies on the post-travel paperwork made publicly available by the Clerk, since a dollar value for travel has never been included in the financial disclosure reporting requirement. Similarly, any report of all privately sponsored travel offered by a particular sponsor would have to rely on the post-travel paperwork, since the vast majority of House employees do not file financial disclosure statements.

Q. I am a financial disclosure filer. What does the change back to the earlier guidance mean for me?

A. It is possible that some financial disclosure filers who have already filed their calendar year 2013 financial disclosure report followed the Committee's earlier public guidance on this issue and therefore omitted privately sponsored travel from 2013 on their statement. Any such filer should provide that additional information to the Clerk. Filers will have a specified deadline to do so, and the Committee will also follow up with those filers to provide more information. Providing additional information about an already filed financial disclosure report is routine.

Any financial disclosure filer who has properly received an extension of time to file their calendar year 2013 financial disclosure report and has not yet filed their financial disclosure report should include on the travel schedule any privately sponsored travel they accepted in 2013, in addition to any other reportable types of travel.

Q. I am a House staffer, and I am not paid at the senior staff rate. What does this mean for me?

A. For the vast majority of House staff who are not paid at the senior staff rate, and as a result do not file financial disclosure reports, nothing changed. Neither the proposal to reduce the duplicative financial disclosure reporting nor the return to the Committee's prior guidance on this topic change the rules that apply to accepting privately sponsored travel or the requirement to file detailed, publicly available reports about such trips soon after the trip.

Q. I am a financial disclosure filer, and I received an extension of time to file my FD for CY 2013. How do I know I'm filling out the form correctly?

A. Any Member or employee who is required to file a financial disclosure report is always welcome to contact the Committee's nonpartisan staff with questions about the FD filing requirements. Committee staff can also speak with a filer's spouse, accountant, or other third party who helps prepare their FD report. As always, we encourage any

Member or House employee who has questions about financial disclosure or any other ethics-related matter to contact the Committee for advice at 5-7103.

Q. I recently received an invitation to go on a privately sponsored trip during the upcoming August recess. How do I know what I need to do to see if I can go on the trip?

A. As described at greater length above, nothing about the requirements to accept privately sponsored travel has changed. Please keep in mind that all Members and House staff must submit the appropriate paperwork regarding an invitation to go on a privately sponsored trip to the Committee at least 30 days before the start of the trip. The submission deadline is rapidly approaching for any private travel during the August 2014 recess. The Committee has made a handy travel calculator available on its Web site to help you figure out when your paperwork is due. As always, we encourage any Member or House employee who has questions about privately sponsored travel or any other ethics-related matter to contact the Committee for advice at 5-7103.