

JUSTICE AGAINST CORRUPTION ON
K STREET ACT OF 2018

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 2896

TO REQUIRE DISCLOSURE BY LOBBYISTS OF CONVICTIONS FOR
BRIBERY, EXTORTION, EMBEZZLEMENT, ILLEGAL KICKBACKS,
TAX EVASION, FRAUD, CONFLICTS OF INTEREST, MAKING FALSE
STATEMENTS, PERJURY, OR MONEY LAUNDERING



AUGUST 15, 2018.—Ordered to be printed

U.S. GOVERNMENT PUBLISHING OFFICE

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115TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ 115-317

JUSTICE AGAINST CORRUPTION ON K STREET ACT OF 2018

AUGUST 15, 2018.—Ordered to be printed

Mr. JOHNSON, from the Committee on Homeland Security and
Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 2896]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 2896) to require disclosure by lobbyists of convictions for bribery, extortion, embezzlement, illegal kickbacks, tax evasion, fraud, conflicts of interest, making false statements, perjury or money laundering, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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I. PURPOSE AND SUMMARY

S. 2896, the Justice Against Corruption on K Street Act of 2018, or the “JACK Act”, seeks to provide greater transparency and accountability in lobbying disclosures related to the commission of certain crimes of character. The bill requires lobbyists to publicly disclose any convictions for bribery, extortion, embezzlement, illegal kickbacks, tax evasion, fraud, conflicts of interest, making false statements, perjury, or money laundering.

II. BACKGROUND AND NEED FOR LEGISLATION

In 1995, Congress passed the Lobbying Disclosure Act (LDA), which sought to increase accountability for Federal lobbying practices in the United States.¹ The LDA requires lobbyists to register with both the Clerk of the U.S. House of Representatives and the Secretary of the U.S. Senate within 45 days of making a lobbying contact or becoming employed to make a lobbying contact.²

In 2007, following the conviction of lobbyist Jack Abramoff for trading expensive gifts to members of Congress and staff in exchange for political favors, Congress enacted new requirements for lobbyists in the Honest Leadership and Open Government Act (HLOGA).³

In 2017, Mr. Abramoff again registered as a lobbyist, working on behalf of the Republic of Congo.⁴ Under current law, there is no requirement that Abramoff, or any other lobbyist, include information regarding prior criminal convictions in his or her lobbying disclosures.

S. 2896 would require lobbyists with convictions for bribery, extortion, embezzlement, and other crimes of character to disclose that criminal history in their lobbying disclosures.

III. LEGISLATIVE HISTORY

Senator John Kennedy (R-LA) introduced S. 2896 on May 22, 2018, with Senator Joe Manchin (D-WV). The bill was referred to the Committee on Homeland Security and Governmental Affairs.

The Committee considered S. 2896 at a June 13, 2018, business meeting. The Committee ordered S. 2896 reported favorably *en bloc* by voice vote. Senators present for the vote were Johnson, Portman, Lankford, Enzi, McCaskill, Carper, Peters, Hassan, Harris, and Jones.

IV. SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

Section 1. Short title

This section establishes the short title of the bill as the “Justice Against Corruption on K Street Act of 2018” or the “JACK Act.”

Section 2. Disclosure of corrupt malpractice by lobbyists

This section amends the LDA to require that any new registrant convicted in a Federal or state court of an offense involving bribery, extortion, embezzlement, an illegal kickback, tax evasion, fraud, a conflict of interest, making a false statement, perjury, or money laundering to include in his or her lobbying registration the date and a description of such offense. It also requires that existing registrants include the same information in their quarterly reporting.

¹Lobbying Disclosure Act, 2 U.S.C. § 1601 (1995).

²*Id.* at § 1603.

³Honest Leadership and Open Government Act, Pub. L. No. 110–81 (2007).

⁴Ginger Gibson, *Convicted Felon Jack Abramoff Registers to Return to Lobbying*, Reuters (June 23, 2017 5:31 PM), <https://www.reuters.com/article/us-usa-politics-abramoff/convicted-felon-jack-abramoff-registers-to-return-to-lobbying-idUSKBN19E2JN>.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office's statement that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 27, 2018.

Hon. RON JOHNSON,
Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 2896, the JACK Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

KEITH HALL,
Director.

Enclosure.

S. 2896—*JACK Act*

S. 2896 would amend the Lobbying Disclosure Act of 1995 to require registered lobbyists to file new reports with the Secretary of the U.S. Senate and Clerk of the U.S. House of Representatives. The reports would provide information on any convictions for bribery, extortion, embezzlement, illegal kickbacks, tax evasion, fraud, conflicts of interest, making false statements, perjury, or money laundering. Subject to the availability of appropriated funds, CBO estimates that implementing the bill would increase administrative costs of the House of Representatives and the Senate by less than \$500,000 annually.

Enacting S. 2896 could increase civil penalties for failing to file accurate reports. Penalties are recorded in the budget as revenues; therefore, pay-as-you-go procedures apply. However, CBO estimates that any increase in revenues would not be significant because we expect few lobbyists would be affected. Enacting S. 2896 would not affect direct spending.

CBO estimates that enacting S. 2896 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 2896 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) by requiring registrants under the Lobbying Disclosure Act to disclose information about convictions for certain crimes. CBO estimates that the cost of including this additional information would be minimal and would not exceed the threshold established in UMRA for private-sector mandates (\$160 million in 2018, adjusted annually for inflation).

The bill contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Matthew Pickford (for federal costs) and Andrew Laughlin (for mandates). The estimate was reviewed by Theresa Gullo, Assistant Director for Budget Analysis.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows: (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

UNITED STATES CODE

* * * * *

TITLE 2—THE CONGRESS

* * * * *

CHAPTER 26—DISCLOSURE OF LOBBYING ACTIVITIES

* * * * *

The Lobbying Disclosure Act of 1995

* * * * *

SEC. 1603. REGISTRATION OF LOBBYISTS.

(a) * * *

(b) * * *

(1) * * *

* * * * *

(5) * * *

(A) * * *

(B) to the extent practicable, specific issues that have (as of the date of registration) already been addressed or are likely to be addressed in lobbying activities; **[and]**

(6) the name of each employee of the registrant who has acted or whom the registrant expects to act as a lobbyist on behalf of the client and, if any such employee has served as a covered executive branch official or a covered legislative branch official in the 20 years before the date on which the employee first acted as a lobbyist on behalf of the client, the position in which such employee served~~[\.]~~; *and*

(7) for any registrant who was convicted in a Federal or State court of an offense involving bribery, extortion, embezzlement, an illegal kickback, tax evasion, fraud, a conflict of interest, making a false statement, perjury, or money laundering, the date of the conviction and a description of the offense.

* * * * *

SEC. 1604. REPORTS BY REGISTERED LOBBYISTS.

(a) * * *

(b) * * *

(1) * * *

* * * * *

(4) in the case of a registrant engaged in lobbying activities on its own behalf, a good faith estimate of the total expenses that the registrant and its employees incurred in connection with lobbying activities during the quarterly period; **[and]**

(5) for each client, immediately after listing the client, an identification of whether the client is a State or local government or a department, agency, special purpose district, or other instrumentality controlled by one or more State or local governments. **[.]**; *and*

(6) *for any registrant who was convicted in a Federal or State court of an offense involving bribery, extortion, embezzlement, an illegal kickback, tax evasion, fraud, a conflict of interest, making a false statement, perjury, or money laundering, the date of the conviction and a description of the offense.*

* * * * *