

Compliance Tips: Common Mistakes to Avoid When Preparing LDA Reports

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With the first LD-2 reporting deadline of 2023 less than two weeks away (April 20), registrants should begin to compile their organization's federal lobbying activity for disclosure on their quarterly reports. The U.S. Government Accountability Office (GAO) recently released its annual report summarizing registrants' and lobbyists' compliance with disclosure obligations during 2022. As part of its annual review, the GAO surveyed 100 quarterly LD-2 reports and 160 semi-annual LD-203 contribution reports. GAO's report details where filers complied—and failed to comply—with their obligations under the Lobbying Disclosure Act of 1995, as amended (LDA). Below is a list of the most common errors made by filers on LD-2 and LD-203 reports:

- When reporting lobbying income and expenses on lines 12 and 13 of your LD-2, the total amounts are required to be rounded to the nearest \$10,000. The GAO estimated that 14% of reports filed in 2022 contained easily-avoidable rounding errors.
- When disclosing a new lobbyist on line 18 of your LD-2 for the first time, be sure to include their complete list of covered positions for the past 20 years. According to the GAO's report, 27% of LD-2 reports filed in 2022 disclosed new lobbyists without accurately reporting their previous positions in the executive or legislative branches of the federal government.
- If your organization reports lobbying activity and expenses using the Internal Revenue Code definitions (i.e., you file using "Method C"), confirm that the executive branch officials with whom your lobbyists had contacts are actually included in the limited number of covered executive branch officials under the federal tax code.
- As registrants and individual lobbyists compile their contributions for disclosure on their semi-annual LD-203 reports, remember to cross-reference contributions with the Federal Election Commission (FEC) database. The GAO will verify that contributions disclosed by the FEC match those reported by lobbyists and registrants on their LD-203s. According to the GAO, 7% of LD-203s failed to include reportable contributions in 2022. The next LD-203 reporting deadline is July 31.

Between 2013 and 2022, the Secretary of the Senate and Clerk of the House of Representatives have made over 11,000 referrals to the United States Attorney's Office for failure to comply with LD-2 and LD-203 reporting requirements. Generally, notices of

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noncompliance can be resolved by filing amendments. However, more serious violations can result in fines.

As the April 20 deadline to file LD-2 reports covering the first quarter of 2023 quickly approaches, don't hesitate to reach out to the Akin Political Law Team to assist with your reporting needs and answer any LDA compliance questions. For your reference, the LD-2 reporting website can be found [here](#). We are also available to assist with lobbying compliance at the state and local levels.