

STATE ETHICS COMMISSION

Twenty-Fifth Annual Report

January 1, 2003 - December 31, 2003

GENERAL STATUTORY IMPLEMENTATION

The State Ethics Commission met in regular session 9 times during Calendar Year 2003 and considered issues related to all areas of its statutory mandate: financial disclosure, conflict of interest, lobbyist disclosure and conduct restrictions, local government ethics laws, school board ethics regulations, advisory opinions, enforcement matters, employee training, lobbyist training and public information activities. In addition to the regularly scheduled meetings, it met two additional times to conduct contested case hearings.

Dominating the early part of the year were issues related to the change in administration, which gave rise to questions relating to the transition from one administration to another. Additionally, in calendar year 2003, contested cases and litigation in the courts played a significant role in the business conducted by the Commission. One matter carried over from calendar year 2002, *Miles et al; v. State Ethics Commission*, Case No. C-2002-81420DJ, was dismissed with consent of the parties due to the enactment of HB 1074 (Chapter 470), which specifically exempted Assistant State's Attorneys and Deputy Sheriffs, who are recognized as public officials, from the requirement of filing annual financial disclosure statements. Delegate Sophocleus, who is an employee of the Anne Arundel State's Attorneys Office, introduced this bill, which was incorporated into the Public Ethics Law in § 15-601(c). Litigation continued in the assessment of a fine connected with the *State Ethics Commission v. Antonetti*, 365 Md. 428 (1991) matter, and this issue was finally settled in December 2003 with the assessment of a \$7,500 fine.

The Commission staff conducted 18 general ethics training programs, in Baltimore and Crownsville, for employees who are required to file financial disclosure statements. Nine hundred sixty-nine employees attended those sessions, and the attendees' evaluation forms were overwhelmingly favorable with regard to content and presentation. In addition to the 18 scheduled ethics training programs, we made seven additional ethics presentations to 209 additional State employees and public officials associated with: Towson University, the Board of Physicians, the Health Care Commission, the Allegany Co. DSS; the Department of Agriculture; the Montgomery County Clerks of the Court; and the Cecil County Department of Social Services.

During the 2003 legislative session, House Bills 1074 and 191 were successfully enacted. House Bill 1074, signed into law by Governor Ehrlich on May 22, 2003, and enacted in Chapter 470 of the General Laws of Maryland, specifically identified the offices of the Sheriff in each county and the offices of the State's Attorney in each county as "Executive Units" and exempted deputy sheriffs and all other employees in each Sheriff's office and deputy or assistant State's Attorneys and all employees in the office of each State's Attorney's office from the requirement

of filing annual financial disclosure statements. House Bill 191, signed into law by Governor Ehrlich on May 13, 2003, and enacted in Chapter 283 of the General Laws of Maryland, increased the lobbying registration fee from \$20 per registration to \$50 per registration. This increase was required in order to meet the rising costs of administering the lobbying program and providing mandatory training for lobbyists. The increased lobbying fee became effective October 1, 2003.

In June, the Commission conducted a contested case hearing on charges of lobbying violations by lobbyist Bruce Bereano. The Commission issued its decision and public order finding a violation of §15-713(1), being engaged for lobbying purposes for contingent compensation. That case, which was appealed in the Anne Arundel Circuit Court, was transferred to the Howard County Circuit Court and is scheduled for hearing on the Petition for Judicial Review on June 1, 2004.

In June 2003, Commissioner Michael May completed his second full term and retired, and also in June, Chairman Charles O. Monk Jr. resigned from the Commission because he had undertaken additional responsibilities for a community organization. Ava Feiner, Ph.D., and Robert Scholz, Esquire were appointed to their respective vacated positions.

Our fiscal year 2004 budget was approved for \$731,144 (General Funds of \$686,034 and Special Funds of \$45,110), which in June was reduced by \$35,000 for cost containment, and another \$10,654 was removed from the General Fund Allocation, leaving us with an actual budget allocation of \$685,490

In September 2003, we began work with the Executive Department's new IT staff to develop a program for electronic filing for financial disclosure statements. We were fortunate in that the Montgomery County Ethics Commission, which had already developed an electronic filing process, agreed to share their software with the Commission. Although the development of an electronic filing program for State employees and Public Officials was not completed in 2003, some of the basic work on the program was accomplished. The Commission anticipates having a fully operational electronic filing system in place for financial disclosure filers by February 2005, in time to file the financial disclosure reports for 2004.

September also saw the electronic debut on our web site of the Commission's first newsletter. It contains articles of interest to lobbyists, State employees and public officials as well as profiles of the Commissioners. The Commission intends to publish the newsletter quarterly on its web site and include information that will be helpful to all of its stakeholders.

On October 23, 2003, the Commission hosted a Statewide Ethics Conference to which staff and members of the local jurisdictions' various ethics boards and commissions were invited. The conference took place in Annapolis and the meetings and panel discussions were conducted in the Legislative Services Building, Joint Committee Hearing Room and the President's Conference Room in the Miller Senate Building. Seventy-two local jurisdiction representatives attended and discussed topics, including: Enforcement Proceedings; Advisory Opinion Process; Ethics Commissions; and Local Ethics Law. Panel discussions were led by: Jennifer Allgair, Staff Counsel for the State Ethics Commission; Robert Hahn, General Counsel,

State Ethics Commission; Dorothy R. Fait, Chairperson, State Ethics Commission; and Robert Scholz, member, State Ethics Commission. Plans for another comprehensive conference is scheduled for 2005.

Advice Activities

The Public Ethics Law (§15-301 through §15-303) provides that the State Ethics Commission may issue formal advisory opinions in response to requests from officials, employees, lobbyists, and others who are subject to the Ethics Law. These formal opinions generally follow an appearance before the Commission by the requestor and are published in the Maryland Register. The Commission regulations also allow for informal staff advice and informal Commission consideration of requests (See COMAR 19A.01.02.05). The informal advice generally results in an advice letter to the requestor that references prior opinions of the Commission addressing similar facts and issues.

The State Ethics Commission has the responsibility of interpreting the Public Ethics Law. When the Commission was first established in late 1979 most advice requests resulted in a published formal opinion. During its first full five years of operation (1980 –1984), the Commission issued a total of 205 opinions. This was an average of 41 per year. During the next five years (1985 – 1989) another 128 opinions were issued. This was an average of over 25 per year. As a result, there is a large body of published opinions available to the Commission staff to provide informal advice in response to advice requests. During the twenty-five years of its existence, the Commission issued a total of 484 formal opinions. During the past five years the number of formal opinions decreased to 22 while informal reviews and letter advice increased. A major factor reducing the need for formal opinions issued by the Commission is the large number of existing opinions that can now be used for informal guidance by the Commission or staff thus expediting advice.

During Calendar-Year 2003, the Commission considered 3 formal requests resulting in two formal published opinions. One request involving the application of §15-508 (procurement ethics) was rendered moot when the requester's employer was not selected by the using agency in an information technology procurement. The two published formal opinions issued in 2003 advised two new State employees about the application of §15-502 to a pre-existing secondary employment situation and service on the board of directors of a nonprofit organization (Opinion Nos. 03-1 and 03-2).

During the year, the Commission also granted two exemptions pursuant to §15-502(d) upon the recommendation of the Governor. The Commission granted an exemption to allow the Secretary of Agriculture to maintain his interest in a family farm, and to permit the Deputy Secretary of Agriculture to maintain his veterinary license. The Deputy Secretary, however, gave up his active veterinary practice.

The Commission's informal docket, initiated in 2002, logs requests for advice that result in informal advice provided to the requestor by either the Commission staff or the Commission itself. This does not include telephone advice or answers to routine questions provided by the

Commission staff. The Commission and/or the Commission staff reviewed and considered requests in the following subject areas during calendar year 2003:

<u>Subject Matter of the Advice</u>	<u>Number of Requests</u>
Lobbying Registration, Reporting & Conduct	18
Secondary Employment Advice	132
Participation Advice	8
Procurement Restrictions	7
Post-Employment Advice	13
Gift Questions	29
Other	35
Total	242

The number of informal matters decreased from calendar year 2002. In 2002 a total of 357 informal matters were reviewed. The reduction in the absolute number of matters is attributable in part to a reduction in requests from lobbyists for advice (from 53 in 2002 to 18 in 2003). During the last two months of 2001 and in early 2002, there were a significant number of advice requests addressing the implementation of HB2 (Chapter 631, Acts of 2001, effective November 1, 2001). At its meeting on February 6, 2002, the Commission considered 32 questions involving interpretation of HB2. When HB 1076 (Chapter 405, Acts of 2002) was enacted during the 2002 legislative session and signed as emergency legislation (May 6, 2002) various lobbyists sought additional informal advice. Additionally, the implementation of the Commission's Lobbyist Training Program has impacted on the number of informal requests from lobbyists, who now have the benefit of the training and an understanding of the lobbying law requirements.

There was also a significant reduction in secondary employment requests. In 2002 there was a total of 269 such requests with 219 from the Department of Human Resources ("DHR"). In 2003, there were a total of 132 informal requests involving secondary employment, with 48 from the DHR. The reduction in the number of secondary employment requests from DHR is probably attributable to two factors. In 2001, the Department established procedures for approval of secondary employment that were circulated to all county departments of social services and resulted in a large number of requests to the Commission to review secondary employment of employees during 2001 and 2002. Many of these reviews were for existing secondary employment situations that had not been previously reviewed. By 2003, DHR's review process had been implemented statewide and only new secondary employment situations needed to be reviewed. Additionally, DHR officials who participated in the Commission review became sufficiently familiar with the requirements of the Ethics Law to enable them to screen situations requiring Commission review.

A review of the informal requests received in 2003 also demonstrated an increase (116%) in the number of requests related to the application of the post-State employment provisions of the law. This is likely a reflection of the 2002 election that resulted in a change of administration and the movement of certain officials from State service. Also during 2003 there was an increase (262%) in the number of requests related to the receipt and acceptance of gifts. This too, may be explained by the change of administration that brought new individuals to State service who were not familiar with the Ethics Law provisions.

The 132 informal secondary employment requests considered in 2003 came from the following Departments:

<u>Department</u>	<u>Number of Requests</u>
Department of Human Resources	48
Department of Health & Mental Hygiene	18
Department of Transportation	9
Executive Department	6
Department of Agriculture	5
University System of Maryland	5
Department of Public Safety & Correctional Services	4
Department of the Environment	3
Department of Natural Resources	3
Maryland State Lottery Agency	3
Other Agencies	28

Advisory opinions are available on the Internet through the Commission web site (<http://ethics.gov.state.md.us>) and the website of the Secretary of State, Division of State Documents (<http://www.sos.state.md.us/>).

University of Maryland Public-Private Partnership Exemptions

In 1990, the General Assembly enacted legislation allowing the University System of Maryland (USM) to grant to university faculty certain exemptions from the conflict of interest provisions of the Public Ethics Law. The exemptions were for “sponsored research and development” activities. Sponsored research and development was defined in the law as an “agreement to engage in basic or applied research or development at a public senior higher education institution, and includes transferring university-owned technology or providing services by a faculty member to entities engaged in sponsored research or development.” Faculty members were not fully exempted from all Public Ethics Law requirements, and public disclosure of the interest or secondary employment was required. The institution granting the exemption was required to maintain the exemption as a public record and to file a copy with the State Ethics Commission.

In 1996, the General Assembly enacted the Public-Private Partnership Act. This law expanded the exemptions beyond faculty to include vice-presidents and presidents of institutions as well as the chancellor and vice-chancellors of the USM. The legislation also broadened the

exemption from the conflict of interest provisions to include USM officials, faculty members, and employees. The USM Board of Regents and the USM institutions adopted procedures pursuant to §15-523 to allow the conflict of interest exemptions. The USM Board of Regents and seven of the affiliated institutions adopted policies, and the Commission’s authority was limited to comment on the policy’s conformity to Public-Private Partnership Act. The definition of “sponsored research” was expanded to include “participation in State economic development activities.”

The records filed by the institutions with the Commission reflect a total of 59 faculty exemptions granted by university presidents between 1996 and 2002. These included exemptions at the University of Maryland at Baltimore (UMB), University of Maryland at Baltimore County (UMBC), and the University of Maryland Biotechnology Institute. During calendar year 2003, USM institutions granted an additional 17 faculty exemptions. The exemptions were from the following institutions:

<u>Institution</u>	<u>No. Of Exemptions</u>
University of Maryland, Baltimore	3
University of Maryland, College Park	14
Total Faculty Exemptions	17

● *Financial Disclosure*

The financial disclosure program continued to process the identification of those required to file, provide technical assistance to filers, and monitor compliance with the Law. The Commission reviewed a large number of requests by various agencies to add or delete positions from the financial disclosure filing list, and the net result was an increase in the number of filers from approximately 8,557 in 2002 to approximately 9,006 in 2003.

The Commission reviewed the status of new boards and commissions and considered and acted upon requests by advisory boards to be exempted from the requirement to file financial disclosure statements. This activity has significantly increased in recent years due to a substantial increase in the number of boards and commissions created by the General Assembly.

Currently there are more than 9,000 public officials required to file financial disclosure forms, and the number of filers continues to grow. Individuals who are public officials only as a result of their participation on boards or commissions are required to file a limited form of financial disclosure. When the Commission conducts compliance reviews of financial disclosure statements and finds errors or omissions, it sends letters advising filers to provide further information to correct or complete the documents.

The Commission also has the responsibility for the financial disclosure program for appointees to executive boards or commissions who seek limited conflict of interest exemptions from the appointing authority. The board or commission members must file a request for the “time of appointment “ exemptions with the Commission, the appointing authority, and the Senate if Senate approval is required for the appointment. The request forms publicly disclose existing conflicts and exempt the individuals only from those conflicts that are disclosed on the forms. The Commission staff coordinates this process with the appointing authority, reviews the forms and, throughout the year, assists a large number of appointees in completing the disclosures forms. In 2003, the Commission processed 127 requests for “time of appointment” exemptions.

Under its 1999 mandate to develop electronic filing for financial disclosure statements, Public Ethics Law § 15-602(d), the Commission must develop procedures under which a statement may be filed electronically and without additional cost to the individual who files the statement. Although the staff has diligently pursued every available opportunity, including obtaining software from Montgomery County at no cost to the State, prior to fiscal year 2004 the Commission did not have any funding available to adapt that software or implement any program that would permit electronic filing. We have been working on adapting the written form into an electronic document that will be understandable, easier to complete, and user friendly.

In working with the Governor’s IT staff and others suggested by them, we have become aware of some changes to the financial disclosure form that will be necessary in order to attain the accurate, efficient and effective collection of financial disclosure information. For example, where the written form asks for “amount of consideration paid” for interests in real property, in order to avoid inadvertent mistakes permitted by “free writing,” we will need to provide ranges of consideration paid that the filer will highlight from “drop-down boxes.” Thus, the filer will choose between boxes that contain choices such as “under \$50,000; \$50,000 to \$99,999; \$100,000 to \$250,000; and over \$250,000.” In this way we will be able to obtain the information requested and eliminate the likelihood of typographical mistakes that could be misleading, such as an extra “0” or a misplaced decimal point. The same type of change will be needed to obtain the information related to interests in corporations and other entities. The Commission has determined that such changes will provide sufficient information and meet the statutory requirements of the financial disclosure section of the Public Ethics Law as set forth in § 15-607.

● *Lobbyist Disclosure and Regulation*

During the lobbying year ending October 31, 2003, 2,435 lobbying registrations were filed with the Commission. This represents an increase of 96 registrations from the 2,339 that filed in 2002. Seven hundred twenty-four lobbyists registered for 1,056 employers. (Some employers have more than one lobbyist and many lobbyists have more than one employer.) This compares to 722 lobbyists who registered on behalf of 1030 employers in 2002. Although the largest number of lobbyists is registered during the legislative session, registrations begin and end at various times throughout the lobbying year, which begins on November 1 and ends on October 31 of the following year. Most persons registered to lobby had a single registration representing one employer. However, 138 lobbyists had two or more registrations during this time period; 94 registrants had four or more employers; and 61 lobbyists had eight or more

employers. The Ethics Commission monitors lobbyist registration, reporting, conduct, and certain aspects of campaign finance activity.

The \$30,496,709 in lobbying expenditures reported for the period ending October 31, 2003, represents an increase of \$3,807,402 from the previous year. Lobbyists' compensation continued to increase. Lobbying expenditures have very significantly increased since the \$2,864,454 reported expenditures in 1979; the first year the Ethics Commission administered the filing program. Expenditures for gifts and entertainment in 2003 increased from \$1,164,780 to \$1,488,646. The amount for food and beverages, other than special categories, increased from \$1,690 to \$4,178. The amount in this category was dramatically lower than the \$416,924 reported in this category for 1992, reflecting the stronger disclosure laws of that year and an increasing reluctance of officials to accept this type of entertainment. Entertainment at legislative organization meetings resulted in \$15,787 in lobbyists' expenditures. Lobbyists' expenditures for special events increased from \$1,115,206 in 2002 to \$1,404,028 in 2003, a substantial increase from the \$245,288 reported for special events in 1994. Under current law, special events include events to which all members of the General Assembly, either house, standing committees, or geographic delegations are invited. There were 116 "all members" of the General Assembly events reported in 2003 totaling \$784,069, an increase over the \$657,023 spent for the previous year. The total expenditure for special events may be misleading, as the reporting requirement is for the total cost of the event rather than funds expended directly on General Assembly members. There were 85 events reported for the House of Delegates Standing Committees and 72 for the Senate Standing Committees. The total of 157 committee events was higher than the 136 events in 2002. The most entertained committee in the House of Delegates was the Health, Government and Operations Committee with 22 events. The least entertained Standing Committee in the House was the Judiciary Committee with 9 events. In the Senate, the most entertained committee was the Finance Committee with 28 events and the least entertained committee was the Education, Health and Environmental Affairs Committee with 10 events. The regional delegations with the most events reported were the Montgomery County Delegation and Prince George's County Delegation, with 27 events each.

A detailed analysis of special events spending is contained in Appendix C of this report. Lobbyists are also required to file gift reports naming individuals receiving tickets or other gifts above certain thresholds. Eleven lobbyists filed 13 gift reports in 2003 compared to 15 in 2002. Gift reports may name one or more gift recipients. Gift reports tend to be concentrated among the higher spending employers. New gift limitations, effective October 1, 1999, and the fact that gift reports are no longer required in some situations have resulted in the very substantial decline in gift reports.

For the year 2003, 161 lobbyist employers reported total lobbying expenditures of \$50,000 or more, and 344 lobbyist employers reported total expenditures of \$25,000 or more. This compares to 324 employers reaching \$25,000 in expenditures in 2002. One hundred four individual lobbyists, registered on behalf of one or more employers, reported \$50,000 or more in compensation for services as compared to 99 in 2002. Fifty-nine lobbyists reported compensation of \$100,000 or more compared with 44 in 2002. There is a growing trend toward firms employing several lobbyists, ranging from groups within large law firms to government

relations groups unassociated with the practice of law. In 2003, four fee-earning firms earned over \$1,000,000. This information is outlined in Appendix D.

Examples of topic areas involving large total employer expenditures during the reporting period included business, utilities, racing, labor, health, banking, energy, communications, technology, attorneys, real estate, construction and insurance. Employer lobbying spending continues to increase. In 1988, only 5 employers spent over \$100,000 on lobbying. In 1999, 35 employers exceeded \$100,000. Lists of those employers spending \$25,000 or more and those lobbyists reporting \$50,000 or more in compensation are included in Appendices A and B of this report.

The following expenditure data summarizes lobbying expenditures for the last three lobbying years:

	<u>10/31/03</u>	<u>10/31/02</u>	<u>10/31/01</u>
1. Expenditures for meals and beverages for officials or employees or their immediate families.	\$ 4,178	\$ 1,690	\$ 3,486
2. Expenditures for special events, including parties, dinners, athletic events, entertainment, and other functions to which all members of the General Assembly, either house thereof, or any standing committee thereof were invited. (Date, location, group benefited, and total expense for each event are also reported.)	\$ 1,404,028	\$ 1,115,206	\$ 814,161
3. Expenses for food, lodging, and scheduled entertainment of officials and employees and spouses for a meeting given in return for participation in a panel or speaking engagement at the meeting.	\$ 18,524	\$ 5,702	\$ 17,608
4. Expenditures for food and beverages at approved legislative organizational meetings.	\$ 15,787	\$ 12,298	\$ 32,811
5. Expenses for a ticket or free admission to attend charitable, cultural or political events where all members of a legislative unit			

are invited.	\$ 4,708	\$ 15,320	\$ 3,337
6. Gifts to or for officials or employees or their immediate families (not included in B-1 through B-5).	\$ 41,421	\$ 14,564	\$12,344
<u>Subtotal of items 1, 2, 3, 4, 5 and 6</u>	<u>\$1,488,646</u>	<u>\$1,164,780</u>	<u>\$883,747</u>
7. Total compensation paid to registrant (not including sums reported in any other section).	\$25,367,757	\$22,461,621	\$19,282,080
8. Salaries, compensation and reimbursed expenses for staff of the registrant.	\$ 889,332	\$ 898,943	\$690,167
9. Office expenses not reported in items 5 and 6.	\$ 841,415	\$ 829,315	\$785,917
10. Cost of professional and technical research and assistance not reported in items 5 and 6.	\$ 635,491	\$ 310,151	\$ 90,530
11. Cost of publications which expressly encourage persons to communicate with officials or employees.	\$ 771,743	\$ 434,924	\$209,633
12. Fees and expenses paid to witnesses.	\$ 4,685	\$ 28,541	\$49,970
13. Other expenses.	\$ 497,650	\$ 561,032	\$ 398,037
<u>Total of items 1 through 13</u>	<u>\$30,496,709</u>	<u>\$26,689,307</u>	<u>\$22,390,081</u>

(NOTE: At the time the Annual Report was compiled, some lobbyist expenditure information may have been subject to adjustment based on the staff review program.)

Enforcement Activities

In calendar year 2003, the Commission issued nine new complaints. Four complaints involved conflict of interest issues and five complaints involved financial disclosure issues. The Commission also closed thirteen complaints during 2003. Six complaints were closed when the Commission accepted a cure proposal from the complaints' respondents, two Stipulations of Settlement were accepted by the Commission, four complaints were dismissed after a preliminary investigation and one complaint was closed for other reasons. The Commission collected \$6,032.00 in payments to the State of Maryland through the two Stipulations of Settlement accepted in 2003.

At the end of 2003, the Commission had seven pending complaints under investigation. The pending complaints included one conflict of interest matter and six financial disclosure matters.

The Ethics Law provides that any person may file a complaint with the Commission. Complaints filed with the Commission must be signed under oath and allege a violation of the Ethics Law by a person subject to the law. The Commission may file a complaint on its own initiative, and, at its discretion, may proceed with a preliminary inquiry of potential Ethics Law violations.

The Commission divides preliminary matters into two categories: Preliminary Consideration Matters and Preliminary Inquiry Matters. The latter involves more extensive investigation. In 2003, the Commission opened eighty Preliminary Consideration Matters, including thirty-six conflict of interest matters, forty lobbyist matters and four financial disclosure matters. The Commission entered into seven Late Filing Agreements with lobbyists during 2003, resulting in payments of \$1850.00 to the State of Maryland. The Commission closed fifty-one Preliminary Consideration Matters in 2003.

The Commission opened sixteen Preliminary Inquiry Matters in 2003. These matters involve more investigation than Preliminary Consideration Matters, which are often upgraded to this docket after the Commission's initial review. Fourteen of the 2003 Preliminary Inquiry Matters involved conflict of interest issues and two involved lobbying issues. In 2003, the Commission closed fourteen Preliminary Inquiry Matters, including several of the pending matters from 2001 and 2002.

All enforcement payments collected through Stipulations of Settlement or Late Filing Agreements are deposited in the State's general fund and cannot be used by the Commission.

In 2003, the State Ethics Commission was involved in three enforcement matters on appeal in the Maryland court system. The Circuit Court for Prince George's County affirmed the Commission's order in *State Ethics Commission v. Antonetti*, a 1997 enforcement matter, and ordered the respondent to pay fines of \$7,500.00 for violating the Ethics Law. This matter was initially appealed in 1997 and has been heard by both the Court of Special Appeals and Court of Appeals. In September 2001, the Court of Appeals remanded the case back to the Circuit Court with directions to affirm the Commission's order in the case and determine the amount of civil fines to be imposed in this matter.

State Ethics Commission v. Evans is currently on appeal in the Court of Appeals. The Commission revoked the respondent's lobbying registrations pursuant to § 15-405 of the Public Ethics Law. The respondent appealed to the Circuit Court for Anne Arundel County, which reversed the Commission's Order. The Commission filed an appeal with the Court of Special Appeals. The Court of Appeals, on its own motion, removed the case from the Court of Special Appeals and scheduled arguments in the case for May 6, 2004.

State Ethics Commission v. Bereano is currently on appeal in the Circuit Court for Howard County. The respondent appealed the Commission's June 2003 Order suspending his lobbying registrations for a period of ten months and seeking a fine of \$5,000 for a knowing and willful violation of § 15-713(1) of the Ethics Law. The respondent originally filed an appeal of the Commission's Order in the Circuit Court for Anne Arundel County, but the Administrative Judge of the Circuit Court for Anne Arundel County transferred the matter to the Circuit Court for Howard County.

Local Government Ethics Laws

The Ethics Law requires Maryland counties and cities to enact local laws similar to the State Law. In addition to the requirement that counties and cities enact ethics laws, the General Assembly amended the Law in 1983 to require local school boards either to promulgate ethics regulations similar to the State Law or be covered by county ethics laws. As part of its responsibilities, the Commission staff reviewed draft revisions to ethics laws and regulations for 9 localities during 2002. Additionally, the staff reviewed proposed changes to the Washington Suburban Sanitary Commission Ethics Regulations. The Commission formally approved revisions to the Anne Arundel County and the Carroll County Ethics Ordinances. The Commission also formally approved revisions to the Harford County Board of Education Ethics regulations. Criteria for evaluating similarity to the State Law are defined in Commission regulations. Municipalities, based on size and other factors, may be exempted from all or part of the requirement, though an exemption may be granted only in response to a written request.

On October 23, 2003, the Commission hosted a Statewide Ethics Conference to which staff and members of the local jurisdictions' various ethics boards and commissions were invited. The conference took place in Annapolis and the meetings and panel discussions were conducted. Seventy-two local jurisdiction representatives attended and discussed topics, including: Enforcement Proceedings; Advisory Opinion Process; Ethics Commissions; and Local Ethics Law. The Commission plans to schedule various conferences directed toward specific interests, such as small jurisdiction problems and issues common to Boards of Education.

On October 10, 2003, the Court of Appeals issued an opinion in *Seipp v. Baltimore City Board of Elections*, 377Md.362, 833 A.2d 551 (2003). The majority found that the Baltimore City Ethics Ordinance's financial disclosure provisions related to candidates' filings were not similar to the State Law and could not be used to disqualify Seipp as a candidate for City Council in the City's primary election. The State Ethics Commission had previously determined that the Baltimore City Ordinance was "similar" to the State law. The majority determined that whether a local law is sufficiently "similar" to the State law is an issue of law, upon which a court is entitled to decide. Chief Judge Bell, for the dissent, argued that the majority approach is to

construe “similar” to be “identical” unless there is a basis to modify the provision for the purpose of avoiding a conflict of interest. The Commission is considering the impact of this decision on its local government and school board regulations.

Educational and Informational Activities

The Commission staff has been active in providing formal training to State employees, lobbyists and local jurisdictions. A substantial daily staff workload has involved advising and assisting employees, officials, candidates and lobbyists on completion of forms, and providing informal advice regarding possible conflicts of interest. The Commission staff has assisted local government and school board officials in drafting their ethics laws and regulations. The staff has also provided technical advice to local government ethics boards. Legislation passed in 1999 requires new financial disclosure filers to receive 2 hours of Ethics Law training (§15-205(d)). The Commission began implementation of this mandate in calendar year 2000. The staff gave numerous formal briefings and training programs to groups of employees and officials and provided employees of several agencies and departments special briefings at their offices. During calendar year 2003, the Commission staff conducted 18 training sessions for State employees at various locations throughout the State. The Commission provided training to a total of 1,178 employees and public officials.

In accordance with § 15-205(e) of the Public Ethics Law, which mandates the Ethics Commission to provide a training course for regulated lobbyists and prospective regulated lobbyists at least twice each year, the Commission staff provided training to 223 lobbyists during calendar year 2003.

Part of the Commission's public information activity involves distribution of lists of registered lobbyists and provision of assistance to persons inspecting various forms filed with the Commission. The Commission's staff distributes, through interagency mail, a special two-page summary of ethics requirements and other applicable memoranda to State agency managers. Staff also distributes special memoranda regarding the impact of the ethics law on gifts, procurement, post-employment, employment, and on political activity. On a limited basis, the Commission is also distributing another pamphlet covering ethics requirements for part-time members of State boards and commissions. Fiscal limitations have essentially reduced the ability to develop new materials in printed form. The staff provides memoranda on lobbying laws relating to private colleges, lobbyist political activity, and a memorandum regarding adjustments to the procurement ethics provisions by request and on its web site. We have also developed a special memorandum to advise potential new members of boards and commissions of the impact of the Ethics Law.

The Ethics Commission maintains a complete and up-to-date home page on the Internet. The home page includes a program summary, a lobbyist list and related data, the Annual Report, special explanatory memoranda, and a bi-monthly bulletin. Also included are copies of lobbying and financial disclosure forms and the ability to access these forms. A new feature of this site, established in 1999, is the provision of a list of State vendors that can be queried by agency or vendor. Another feature is an ethics question of the month, which answers hypothetical questions based on past Commission opinions. The Internet provides a cost effective mechanism

for providing ethics information and training to those covered by the Ethics Law and public access to ethics information. The volume of persons using this website has been steadily growing. The staff is also very frequently involved in assisting the public and press in inspecting public records of lobbyists and officials and providing access to other ethics law information in media appearances or other means.

2003 LEGISLATION REPORT

Increase in Lobbying Registration Fees

Due to increased costs in administering the lobbying program, the Commission submitted legislation to increase lobbying registration fees from \$20 per registration to \$50 per registration for consideration during the 2003 legislative session (HB191). All lobbying registration fees are directed to the Lobbyist Registration Fund, a continuing, non-lapsing fund that is subject to § 7-302 of the State Finance and Procurement Article. This fund is used to defray the expenses of administering Subtitle 7 of the Public Ethics Law.

The need to increase fees resulted from increased costs attendant to the mandatory training programs for lobbyists and the general cost increases involved in administering the program, such as printing, postage, and general overhead. The Commission's proposal was accepted as Departmental Legislation, and it met with no vocal opposition from the lobbyist community. The bill passed and was enacted effective October 1, 2003, in Chapter 283. For the period of October 1 through December 31, 2003, the Commission collected \$96,200 in lobbying fees as compared with \$32,348 for the same period of time in 2002. The Commission is hopeful that this increase in the Special Funds will enable it to develop an efficient and effective electronic lobbying registration and reporting program and make that information publicly available on its web site for contemporaneous review.

Exemption Granted to Assistant State's Attorneys & Deputy Sheriffs & Their Employees

House Bill 1074, signed into law by Governor Ehrlich on May 22, 2003, and enacted in Chapter 470 of the General Laws of Maryland, specifically identified the offices of the Sheriff in each county and the offices of the State's Attorney in each county as "Executive Units" and exempted deputy sheriffs and all other employees in each Sheriff's office and deputy or assistant State's Attorneys and all employees in the office of each State's Attorney's office from the requirement of filing annual financial disclosure statements.

LEGISLATIVE RECOMMENDATIONS

Proposed Changes To The *Financial Disclosure* (Subtitle 6) Provisions

In the coming year, the Commission will focus its attention on several of the financial

disclosure provisions in subtitle 6 of the Public Ethics Law. Now that the State Ethics Commission has had 24 years of experience, it has had the opportunity to review the reporting requirements and recognize those areas, which appear to be the root of most conflicts, and those areas, which, since the Commission's inception, have not caused any discernable problems. Additionally, the law in other areas has developed so there are additional retirements and deferred compensation plans that should be included in the exemption granted to 401K and 501K plans.

With electronic filing quickly approaching, the Commission has closely reviewed the filing requirements, and it has concluded that some discreet changes in requests for information would be helpful in simplifying the reporting requirements without jeopardizing the benefits of public disclosure.

- New officials should file a financial disclosure statement covering their holdings as of the time they come into their position rather than for the previous calendar year.
- Interests in real property, corporations, partnerships, LLPs and LLCs should be reportable in ranges of value rather than exact amounts. This change would provide sufficient information for the Commission to identify any possible conflicts without placing an undue burden on the filers to obtain exact figures.
- Debts to financial institutions doing business with the State should likewise be reportable within ranges of value in order to simplify the process without inhibiting the Commission's ability to identify possible conflicts.
- In the 1999 Session of the General Assembly, the Harford County Liquor Board and its employees were placed under the authority of the State Ethics Commission. However, the employees of the Board, regardless of salary or duties, were excluded from financial disclosure requirements. This general exclusion should be withdrawn to make the disclosure requirements for these employees the same as other employees subject to the State Ethics Law.
- Disclosure of interests in all State deferred compensation plans should be added to the exemption now provided for those who have interests in 401K and 501K plans (§ 15-102(t)(2)(iv)). The exemption is warranted as the State provides a discreet list of investments into which employees may invest, and there is no latitude for the employee to select investments other than those provided by the State.
- Consideration should be given to eliminating the need for reporting of investment in any mutual fund in which there are more than 25 members on the basis that the employee has no control over the trading of the individual holdings of the mutual fund, and, therefore, it is improbable that an employee could effectuate any change in value of the mutual fund by his or her official act as a State employee.

- The provisions of §15-608 regarding attributable interests should be studied with the idea of reducing the burden caused by the disclosure requirements when a person has a small share in a large diverse testamentary trust.
- Judicial candidates should be required to file financial disclosure in each year of their candidacy in the same way as other candidates for State office.
- In election years, improperly filed candidate's disclosure forms create unique enforcement problems. Before the Commission can find a violation and make it public, a variety of confidential administrative and adjudicatory processes have to occur. In most cases this process extends beyond the primary election and, likely, beyond the general election. This means that serious completion problems or even false disclosure could exist unknown to the voting public. A very large percentage of non-incumbent candidates have substantial financial disclosure statement completion problems. The General Assembly should review this matter and determine whether confidentiality should be eliminated at an earlier point in the enforcement process with regard to candidates' financial disclosure enforcement cases.
- Section 15-205(a)(5) should be revised by substituting a provision for review consistent with standards to be established by the Commission. The submission of documents requiring Commission review has expanded almost exponentially, and it is not possible that the current staff and resources would permit review of each document filed.

Proposed Changes To The Conflicts Of Interest (Subtitle 5) Provisions

The next priority for legislative consideration is Subtitle 5, **Conflicts of Interest**. Once the financial disclosure requirements have been addressed, the Commission will turn its attention to the following issues related to conflicts of interest:

- Specific provisions should address membership by high State officials on boards or directors of private corporations having sensitive business or regulatory involvement with the State.
- The post-employment provisions (§ 15-504) should be revised to more specifically address the problems that are common to higher-level management positions.
- There is a need to consider granting the Commission some level of civil penalty assessment authority in conflict of interest matters in order to provide a formal alternative to expensive court proceedings. This would give the Commission equal authority in setting sanctions on conflict of interest issues as it presently has with regard to lobbying violations.
- Like legislators, legislative and other employees should be prohibited from lobbying for one legislative session after leaving their State employment.

- The law prohibiting misuse of confidential information should be extended to cover former officials and employees as to confidential information acquired during their State service.

*Proposed Changes To The **Local Jurisdictions** (Subtitle 8) Provisions*

Subtitle 8 of the Public Ethics Law, which address local jurisdictions and boards of education, are the next priority. The Commission is looking at the following issues:

- The provisions covering school board ethics regulations need strengthening to assure that there are adequate sanctions for violations by board members, candidates for board membership and lobbyists.
- Local jurisdictions should be able to use lobbying registration and reporting with the State Ethics Commission as an alternative or substitute for local filing.
- The bi-county agency ethics regulations requirements should require that sufficient penalty provisions are provided and that the current ethics regulations of these agencies meet the intent of the Public Ethics Law.
- The Commission has informally determined that the bi-county agencies are to be treated as State or local agencies for the purposes of exemptions under the State lobbying registration requirements. The Law should be amended to specifically clarify their status under these provisions.
- In order to avoid uncertain and confusing application and administration of the Law, the special provisions of §15-807 making members of State boards funded in whole or in part by Baltimore County subject to the county disclosure law instead of the State Law should be considered for elimination, or at a minimum copies of these forms should be filed with the State Ethics Commission.
- Subsequent to the issuance of *Seipp v. Baltimore City Board of Elections, et al*, 377 Md. 362, 833 A.2d 551 (2003), which interpreted sections of subtitle 8 of the Public Ethics Law and determined the degree to which local jurisdiction ethics ordinances must be similar to the Public Ethics Law, the Commission seeks to replace the language requiring that the local ordinance language be similar or substantially similar to the Public Ethics Law with language requiring that the Commission's review of local ordinances be in accordance to law.

*Proposed Changes To The **Lobbying** (Subtitle 7) Provisions*

The Commission also supports and would seek an amendment to the lobbying provisions of the Public Ethics Law (subtitle 7) with regard to two of the reporting requirements in the HB2 legislation of 2001:

- §15-708 should be revised in order to more correctly reflect lobbyist spending for legislative meals and receptions. As the requirement reads now, the process is cumbersome and may inadvertently inflate the actual amount spent on lobbying legislators. The provision causes significant confusion as to what costs should be included and how the costs should be reported.
- §15-705 currently provides that regulated lobbyists must file a separate report disclosing the name of any State official of the Executive Branch or member of the immediate family of a State official of the Executive Branch who has benefited during the reporting period from gifts of meals or beverages from the regulated lobbyist, whether or not in connection with lobbying activities. The lobbyist must file this report accounting from Dollar One spent on a meal or beverage for an official of the Executive Branch or a member of the official's immediate family. This reporting requirement is difficult to administer and is not in keeping with other gift reporting requirements, which general require such a report only when the amount spent is \$20 or greater or \$100 cumulatively from one donor. This provision should be revised to require a report only when the amount spent is \$20 or greater or \$100 cumulatively from one donor.

*Proposed Change To The **Enforcement** (Subsection 4) Provisions*

The Commission and staff continually review the Public Ethics Law in order to determine if the administration and enforcement are consistent with the intent of the law and the mission of the Commission.

- The Commission recommends that it be granted civil penalty authority in conflict of interest matters in order to provide a formal alternative to expensive and time consuming contested case proceedings. This alternative would also provide the Commission with an additional potential income source that would, to some extent, alleviate the State's burden in meeting the Commission's increasing need for resources and personnel to accomplish its mission.
- In the current law, § 15-406(b) provides that a final order of the Commission is stayed automatically until the time for seeking judicial review has expired, and, if a timely appeal is filed, the order is stayed until final disposition by the court. We recommend that this provision be revised to permit the respondent to request, in writing, a stay of the order, and that it would be in the discretion of the Commission whether or not to grant the stay. In the event the request for a stay is denied, the respondent may appeal the ruling to the court. [Note: During the 2004 Session of the General Assembly, Governor Ehrlich submitted HB 298 as an administration bill to remove the automatic stay. The bill was passed by the General Assembly and signed by the Governor on April 27, 2004. Chapter 77, Acts of 2004]

EMPLOYER SPENDING \$25,000 OR MORE – ALL REGISTRANTS

ALL TYPES OF EXPENSES

November 1, 2002 - October 31, 2003

<u>TOTAL AMOUNT</u>	<u>EMPLOYER</u>
1. 825,951.94	Centaur, Inc.
2. 675,165.91	Magna Entertainment Corporation
3. 398,783.10	Maryland Jockey Club of Baltimore City
4. 388,967.86	CareFirst Blue Cross Blue Shield
5. 375,702.10	Cable Telecommunications Assn. Of MD.DE & DC
6. 373,594.13	MedChi, The Maryland State Medical Society
7. 367,361.02	Cloverleaf Enterprises
8. 364,959.24	Laurel Racing Association, Inc.
9. 308,561.25	Maryland Association of Realtors
10. 262,881.79	Maryland Retail Merchants Association
11. 261,330.00	Maryland Hospital Association.
12. 240,285.51	Pepco Holdings, Inc.
13. 233,000.00	Hawthorn Group, The
14. 231,518.13	MedStar Health
15. 227,157.51	Maryland Bankers Association
16. 216,078.84	MAXIMUS
17. 199,822.39	American Cancer Society
18. 198,937.81	Maryland State Teachers Association
19. 198,080.68	Verizon-Maryland, Inc.
20. 175,291.08	MAMSI (Mid-Atlantic Medical Services)
21. 173,385.93	Maryland Chamber of Commerce
22. 168,992.93	ACS State & Local Solutions
23. 163,027.53	Mirant Mid-Atlantic, LLC
24. 160,374.15	Maryland Thoroughbred Horsemen's Association
25. 159,472.95	Adventist Healthcare, Inc.
26. 157,501.52	IGT Online Entertainment Systems, Inc.
27. 154,729.81	Washington Area NEW Automobile Dealers Association
28. 151,724.02	Law Offices of Peter G. Angelos
29. 150,938.00	Maryland State Bar Association
30. 150,008.35	Norfolk Southern Corporation
31. 148,796.07	Maryland Trial Lawyers Association
32. 139,427.70	Johns Hopkins Medicine
33. 136,419.17	AT & T
34. 127,518.35	Maryland New Car and Truck Dealers Assn.
35. 127,344.58	Allegany Racing LLC
36. 124,617.78	Philip Morris USA (by its service Corp. Altria Corporate Svcs., Inc.)
37. 124,474.85	Association of Maryland Pilots
38. 124,450.21	Wynn Resorts Ltd.

39.	122,700.00	Manufacturers' Alliance of Maryland
40.	122,500.00	Luk Flats, LLC
41.	120,928.31	Schaller Anderson of Maryland LLC
42.	117,559.24	Maryland Independent College & University Association
43.	110,000.00	Prince George's County Council
44.	107,549.52	Greater Baltimore Medical Center Healthcare, Inc. (GBMC)
45.	104,531.65	Baltimore Jewish Council & Maryland Jewish Alliance
46.	104,105.00	Maryland Association of Community Colleges
47.	101,033.06	Apartment & Office Building Association of Metro Washington
48.	100,737.60	Carmax Auto Superstores, Inc.
49.	100,143.73	League of Life and Health Insurers of Maryland
50.	100,020.00	Multimedia Games, Inc.
51.	98,628.00	Diebold Election Systems
52.	98,380.12	Wellpoint Health Networks, Inc.
53.	96,323.75	ESP, Inc.
54.	94,957.71	Washington Home d/b/a Maryland Community Hospice
55.	94,496.79	St. Joseph Medical Center
56.	93,733.11	Medical Mutual Liability Insurance Society of Maryland
57.	90,003.38	American Heart Association
58.	89,503.08	Maryland Optometric Association
59.	89,133.04	Delaware North Companies
60.	88,835.26	Children's National Medical Center
61.	88,584.41	Clark Enterprises, Inc.
62.	87,746.17	Lifefridge Health
63.	87,153.42	State Farm Insurance Companies
64.	85,946.33	AT & T Wireless Services, Inc.
65.	85,917.75	Greenbelt Metropark L.L.C
66.	85,370.93	General Motors Corporation
67.	85,353.67	Chemical & Industrial Technology Alliance
68.	85,161.23	National Association of Independent Insurers
69.	83,141.28	Johns Hopkins University
70.	82,676.15	Mettiki Coal Corporation
71.	81,749.85	Coventry First LLC
72.	81,133.04	Policy Studies, Inc.
73.	80,883.50	Maryland Industrial Group
74.	80,350.00	Baltimore Marine Industries, Inc.
75.	80,000.00	Lorillard Tobacco Company
76.	79,204.88	Suburban Hospital Healthcare System, Inc.
77.	78,755.27	Motorola, Inc.
78.	77,875.28	Johnson Controls, Inc.
79.	77,537.25	Maryland Farm Bureau, Inc.
80.	77,114.23	HMS Host Corporation
81.	76,799.37	Home Builders Association of Maryland
82.	76,790.92	Republic Properties Corporation
83.	76,700.00	Maryland Classified Employees Association
84.	76,000.00	Maryland State Builders Association

85.	74,870.70	American Petroleum Institute
86.	74,379.43	Constellation Energy Group, Inc.
87.	73,807.44	Rite Aid Corporation
88.	73,380.12	UST Public Affairs, Inc.
89.	73,222.85	Maryland Catholic Conference
90.	73,036.60	Hudson Group
91.	72,573.77	Baltimore Building & Construction Trades Council, AFL-CIO
92.	72,350.87	Delmarva Poultry Industry, Inc.
93.	71,948.83	Maryland Tort Reform Coalition
94.	71,157.10	Advocates for Children & Youth
95.	70,855.01	Comcast Cablevision of Maryland, L.P.
96.	70,020.00	Dimensions Healthcare System
97.	70,000.00	Ameristar Casinos
98.	69,985.20	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
99.	69,938.30	Government Affairs-Maryland
100.	68,953.00	Greater Capital Area Association of Realtors
101.	68,865.86	Kraft Foods, Inc. by its service corporation Altria Corp. Services
102.	68,806.25	St. Agnes Health Care
103.	67,805.93	Watson Pharmaceuticals
104.	67,315.00	Northrup Grumman Corporation
105.	67,256.04	NEXTEL Communications
106.	66,824.26	Marriott International, Inc., The
107.	66,600.00	Washington Metropolitan Area Transit Authority
108.	66,487.10	Nationwide Insurance Company
109.	66,208.00	Maryland State Dental Association
110.	66,040.00	Microsoft Corporation
111.	65,972.50	Washington Gas
112.	65,000.00	Harrah's Operating Co.
113.	64,870.43	Maryland Association of Boards of Education
114.	63,872.17	Bearing Point
115.	63,155.70	Americhoice Health Services, Inc.
116.	62,730.00	Progressive Insurance Company
117.	62,520.00	USA Funds, Inc.
118.	62,088.94	Health Facilities Association of Maryland
119.	62,051.69	Maryland Citizens Health Initiative Education Fund, Inc.
120.	61,783.70	Anne Arundel Medical Center
121.	61,638.35	Prison Health Services, Inc.
122.	61,617.89	VALIC Financial Advisors
123.	61,584.22	Association of Maryland Docking Pilots
124.	61,509.86	Maryland Community Health System LLP
125.	61,078.96	Maryland State Fair & Agricultural Society, Inc.
126.	60,878.05	SCI Atlantic Region
127.	60,608.30	ACCENTURE
128.	60,385.88	MBNA America
129.	60,380.00	United Healthcare of the Mid-Atlantic
130.	60,331.95	Cingular Wireless

131.	60,259.14	Maryland Horse Breeders Association
132.	60,000.00	CA One Services, Inc.
133.	60,000.00	Pharmaceutical Research & Manufacturers of America
134.	60,000.00	Transcore Holdings, Inc.
135.	60,000.00	University of Phoenix
136.	59,816.26	Catholic Charities
137.	59,602.08	American Lung Association of Maryland
138.	58,090.00	American Chemistry Council
139.	57,423.18	Chimes, The
140.	57,122.00	Anheuser-Busch Companies
141.	57,008.63	Lockheed Martin Corporation
142.	56,400.00	Pepsi Bottling Group
143.	56,317.39	Mental Health Association of Maryland
144.	55,391.58	Mid-Atlantic Lifespan
145.	54,783.15	Cloverleaf Standardbred Owners Association
146.	54,666.31	Maryland Insurance Council
147.	54,223.75	Maryland Association of Mortgage Brokers
148.	54,000.00	Supershuttle International, Inc.
149.	52,518.70	Ramsay Youth Services, Inc.
150.	52,500.00	Deloitte Consulting
151.	52,500.00	Walmart Stores, Inc.
152.	52,426.42	Pfizer, Inc.
153.	52,020.00	Dental Network, The
154.	51,939.02	Mid-Atlantic Petroleum Distributors Association
155.	51,915.26	EPIC Pharmacies/Maryland Professional Pharmacies, Inc.
156.	51,872.08	Winbak Farms
157.	51,701.30	Fraternal Order of Police - Maryland State Lodge
158.	50,835.50	AOL Time Warner
159.	50,165.28	Household Financial Group, Ltd.
160.	50,079.55	Associated Utility Contractors of Md. Inc.
161.	50,000.00	National Federation of Independent Businesses
162.	49,675.00	Alcoa Eastalco Works
163.	49,508.75	Community Education Partners
164.	49,263.13	Almost Family-Caretenders
165.	49,149.12	Long Term Care Pharmacy Alliance
166.	48,944.17	Globe Ground North America, LLC
167.	48,576.00	Sunoco, Inc.
168.	48,572.69	Maryland School for the Blind
169.	48,370.73	American Insurance Association
170.	48,293.11	Magellan Health Services
171.	46,504.00	Recording for Blind & Dyslexic
172.	45,863.08	Baltimore County Chamber of Commerce
173.	45,729.16	Perdue Farms, Inc.
174.	45,550.36	AFT Maryland (American Federation of Teachers)
175.	45,545.33	Maryland Association of Certified Public Accountants
176.	45,420.00	Owens Illinois, Inc.

177.	45,191.28	Maryland Association of Chain Drug Stores
178.	45,108.33	Ebay, Inc.
179.	45,000.00	CIGNA Corporation
180.	45,000.00	Maryland Association of Mutual Insurance Companies
181.	44,932.12	Dupont, Inc.
182.	44,737.68	AFSCME AFL-CIO
183.	44,545.69	Rouse Company, The
184.	44,516.11	Eli Lilly & Company
185.	44,497.30	Maryland State Licensed Beverage Assn.
186.	43,633.40	Waste Management, Inc.
187.	43,284.55	Maryland Society of Anesthesiologists
188.	42,948.17	Planned Parenthood of Metropolitan Washington
189.	42,923.24	Insurance Agents and Brokers of Maryland
190.	42,804.78	Maryland Motor Truck Association, Inc.
191.	42,674.26	Drug Policy Alliance Network, The
192.	42,532.89	Coalition for Tax Equity
193.	42,500.00	Amerigroup Md. Inc.
194.	42,110.94	Cellco Partnership, a Delaware Limited Partnership
195.	42,062.00	Maryland Budget & Tax Policy Institute
196.	42,000.00	Assurant Group
197.	41,911.26	Maryland Society of the American Institute of Architects, Inc.
198.	41,683.38	Motion Picture Association of Maryland
199.	41,600.00	R. J. Reynolds Tobacco Company
200.	41,200.00	United Way of Central Maryland
201.	41,118.00	Cognos Corporation
202.	40,933.00	Common Cause
203.	40,600.81	MCI World Com, Inc.
204.	40,040.00	JRL Enterprises, Inc.
205.	38,699.04	Maryland Motor Coach Association
206.	38,675.63	WMDP Service Station & Automotive Repair Assn.
207.	38,580.00	Maryland Taxicab, Sedan & Paratransit
208.	38,465.00	MIE Properties
209.	38,437.47	City of Annapolis
210.	38,400.00	Advance PCS
211.	38,140.00	Feld Entertainment Inc.
212.	38,000.00	University of Maryland Biotechnology Institute
213.	37,543.02	AFSCME Council 92
214.	37,532.80	Montgomery County Chamber of Commerce
215.	37,428.38	Professional Firefighters of Maryland
216.	37,424.29	Genesis Health Ventures
217.	37,421.89	Kennedy Krieger Institute
218.	37,107.46	Marine Trades Association of Maryland
219.	37,000.00	Cigar Association of America, Inc.
220.	37,000.00	CSX Corporation
221.	36,895.01	Louis Berger Group, Inc., The
222.	36,673.50	Maryland Association of Non-Profit Organizations

223.	36,607.30	West Group
224.	36,500.00	Golden Rule Insurance Company
225.	36,490.20	Adoptions Together
226.	36,358.95	Spherix
227.	36,173.65	Blind Industries & Services of Maryland
228.	36,080.00	Avaya, Inc.
229.	36,000.00	Aetna U.S. Healthcare, Inc.
230.	36,000.00	DGS, Inc.
231.	36,000.00	Duron Paints & Wallcovering
232.	36,000.00	KOBA Institute
233.	36,000.00	Quest Diagnostics
234.	35,962.85	National Association of Insurance & Financial Advisors-Maryland
235.	35,922.04	State Law Enforcement Officers Labor Alliance
236.	35,812.96	Maryland Chiropractic Association
237.	35,464.07	Medco Health Solutions
238.	35,400.00	Progressive Maryland
239.	35,330.49	MD/DC/DE Soft Drink Association
240.	35,167.60	Maryland Tourism Council
241.	35,000.00	MeadWestvaco Corporation
242.	35,000.00	Oberthur Gaming Technologies, Inc.
243.	34,800.10	Greater Washington Board of Trade
244.	34,751.70	Maryland Association of Tobacco & Candy Distributors
245.	34,600.00	Marijuana Policy Project
246.	34,258.00	USAA
247.	34,121.24	HLR Service Corporation
248.	34,109.97	Teachers Insurance & Annuity Assoc.-College Retirement Equities
	Fund	
249.	34,007.78	Citigroup Management Corporation
250.	33,658.29	National Aquarium in Baltimore, Inc.
251.	33,252.35	Maryland Chapter of the American College of Emergency Physicians
252.	33,183.52	Allegheny Energy
253.	33,000.00	Maryland Credit Union League
254.	32,842.42	American Physical Therapy Association of Maryland
255.	32,832.78	DMJM Harris
256.	32,744.47	Greater Baltimore Committee
257.	32,510.85	AAA Mid-Atlantic
258.	32,455.43	Correctional Medical Services
259.	32,435.71	Maryland Bail Bond Association
260.	32,330.76	Sheppard Pratt Health Systems
261.	32,308.74	Maryland Citizens for the Arts, Inc.
262.	32,006.25	Baltimore Orioles, Inc.
263.	32,000.00	Allstate Check Cashing
264.	32,000.00	BWI Taxi Management
265.	31,710.86	Maryland Radiological Society
266.	31,700.00	Maryland Society of Eye Physicians & Surgeons
267.	31,633.04	Advanced Geo Tech Systems

268.	31,520.34	Dominion Resources Services, Inc.
269.	31,434.09	Technology Council of Maryland
270.	31,394.16	CASA of Maryland, Inc.
271.	31,356.32	Fedex Ground Package System, Inc.
272.	31,279.60	Miller Brewing Company
273.	31,153.89	Columbia Gas of Maryland, Inc.
274.	31,060.00	Aegon Institutional Markets
275.	30,998.43	Ameridebt
276.	30,962.25	Giant Food, Inc.
277.	30,900.00	Brownsfield Reform Coalition
278.	30,500.00	Maryland Disability Law Center
279.	30,494.00	Maryland Agriculture Council, Inc.
280.	30,200.00	E.J. Krause & Associates
281.	30,134.83	Prince George's County Association of Realtors
282.	30,096.60	Maryland Green Industries Council
283.	30,031.50	Peterson Companies, The
284.	30,000.00	Channel One Network
285.	30,000.00	Community Gaming Enterprises LLC
286.	30,000.00	DCI Group LLC
287.	30,000.00	Jerome J. Parks
288.	30,000.00	Marylanders for Better Transportation
289.	30,000.00	Washington Brick & Terra Cotta Companies
290.	29,961.52	Eastern Shore of Maryland Educational Consortium
291.	29,814.00	Maryland Troopers Association
292.	29,689.04	Restaurant Association of Maryland
293.	29,282.77	Committee to Save the Trail (COST)
294.	29,252.96	GKV
295.	29,234.78	Erickson Retirement Communities
296.	29,228.55	Schering-Plough External Affairs, Inc.
297.	29,204.28	Greater Baltimore Board of Realtors, Inc.
298.	29,000.00	MD/DC/DE Press Association
299.	28,940.64	Maryland Science Center
300.	28,883.38	Historic Preservation Coalition
301.	28,641.80	Mid-Atlantic Financial Services Association
302.	28,551.00	Maryland Center for Community Development
303.	28,418.59	Assoc. of Independent Consumer Credit Counseling Agencies
304.	28,250.00	AARP
305.	28,160.38	Peachtree Settlement Funding
306.	28,086.96	Associated Builders & Contractors, Metro Washington Chapter
307.	28,000.00	Pacific Rehab of Maryland
308.	28,000.00	Prince George's County Planning Board
309.	27,600.89	Smoke Free Maryland
310.	27,542.64	Montgomery Cnty Council of Supporting Srvcs. Employees Local 500
311.	27,529.93	Maryland Coalition of Title Insurers
312.	27,500.00	Liberty Mutual Group
313.	27,000.00	Enterprise Information Systems

314.	26,892.59	Maryland State Funeral Directors Association
315.	26,760.24	Maryland Podiatric Medical Association
316.	26,629.00	Anne Arundel County Association of Realtors
317.	26,529.88	Second Genesis Foundation, Inc.
318.	26,500.00	National Employee Benefit Companies Inc.
319.	26,468.96	Maryland Crime Victims' Resource Center
320.	26,460.46	Washington Metropolitan Auto Body Association
321.	26,453.88	American Council of Life Insurance
322.	26,131.65	Best Buddies International, Inc.
323.	26,029.00	Property Owners Association of Greater Baltimore, Inc.
324.	25,833.34	Greater Bethesda Chevy Chase Chamber of Commerce
325.	25,797.00	CDR Financial Products
326.	25,735.89	Maryland Highway Contractors Association
327.	25,703.30	Maryland Aggregates Association, Inc.
328.	25,600.00	Maryland Multi-Family Housing Association
329.	25,514.93	Chesapeake Fast Ferry Coalition
330.	25,433.64	Maryland Land Title Association
331.	25,432.12	Amports
332.	25,370.73	Alliance of American Insurers
333.	25,216.69	Maryland Dental Hygienists Association
334.	25,205.99	Reinsurance Association of America
335.	25,116.64	Explore Information Services
336.	25,070.35	Alliance of Maryland Dental Plans
337.	25,054.25	Encore Funding LLC
338.	25,040.00	CNSI
339.	25,040.00	Multi-State Associates on behalf of U.S. Fireworks Safety Commission
340.	25,040.00	Ocean City Chamber of Commerce
341.	25,000.00	Elevator Industry Work Preservation Fund
342.	25,000.00	GRO Coalition
343.	25,000.00	Maryland Psychological Association
344.	25,000.00	Spielo Manufacturing, Inc.

● APPENDIX B

LOBBYISTS RECEIVING \$50,000 OR MORE IN COMPENSATION

ONE OR MORE EMPLOYERS

November 1, 2002 - October 31, 2003

\$ Amount

1. \$1,010,293.76 Alexander, Gary R.

2.	824,885.25	Rozner, Joel D.
3.	790,456.25	Rifkin, Alan M.
4.	622,810.00	Enten, D. Robert
5.	602,600.06	Bereano, Bruce C.
6.	576,734.34	Stierhoff, John R.
7.	563,201.06	Shaivitz, Robin F.
8.	560,698.17	Tiburzi, Paul A.
9.	538,891.56	Johansen, Michael V.
10.	493,736.22	Schwartz, Joseph A., III
11.	487,855.00	McCoy, Dennis C.
12.	484,800.00	Rasmussen, Dennis
13.	436,750.00	Cowen, Lee
14.	413,204.00	Burridge, Carolyn T.
15.	407,372.14	Pitcher, J. William
16.	391,540.97	Popham, Bryson F.
17.	356,183.00	Manis, Nicholas G.
18.	334,398.97	Lanier, Ivan
19.	299,953.24	Winstead, David
20.	299,153.50	Miedusiewski, American Joe
21.	275,000.00	Pica, John A. Jr.
22.	274,933.51	Cooke, Ira C.
23.	271,755.84	Collins, Carville B.
24.	237,354.65	Doherty, Daniel T., Jr.
25.	235,975.00	Aery, Shaila
26.	226,500.00	Arrington, Michael
27.	224,003.38	Brocato, Barbara Marx
28.	220,000.00	Genn, Gilbert J.
29.	215,169.47	Powell, Michael C.
30.	201,370.25	Levitan, Laurence
31.	195,000.00	Boston, Frank
32.	171,483.24	O'Dell, Wayne
33.	165,438.84	Wayson, Edward O., Jr.
34.	162,478.00	Evans Gerard E.
35.	155,000.00	Gisriel, Michael U.
36.	154,083.00	Valentino-Benitez, Ellen
37.	152,000.00	Carter, W. Minor
38.	148,800.00	McAlpine, Jim
39.	139,638.36	McDonough, John P.
40.	133,620.88	Rivkin, Deborah R.
41.	129,898.00	Neil, John B.
42.	127,418.10	Goldstein, Franklin
43.	126,260.59	Douglas, Robert C.
44.	123,750.00	Gally, Eric
45.	122,382.79	Wilkins, Barbara J.
46.	115,676.00	Wyatt, Joseph Richard
47.	115,499.99	Johnson Robert C.

48.	113,850.00	Canning, Michael F.
49.	112,900.00	Johnson, Deron A.
50.	111,723.71	Doolan, Devin John
51.	111,184.00	Winchester, Albert, III
52.	110,500.00	Burner, Gene L.
53.	110,000.00	Holman, Mark
54.	110,000.00	Pappas, Melissa
55.	109,500.00	Carroll, David H., Jr.
56.	105,500.00	Opara, Clay C.
57.	103,150.00	Binderman, Mindy Koplan
58.	102,783.36	Ornstein, Chantel
59.	100,000.00	Hill, Denise
60.	99,000.00	Doyle, James J., Jr.
61.	97,500.00	Albert, David G.
62.	93,959.56	Davey, John P.
63.	91,000.00	Harris-Jones, Lisa M.
64.	90,523.00	Harting, Marta D.
65.	90,170.50	Kress, William A.
66.	87,091.15	Kasemeyer Pamela Metz
67.	82,233.34	Resh, Ronald E.
68.	80,000.00	DiPietro, Christopher V.
69.	75,139.08	Hoover, Lesa N.
70.	74,940.64	Saquella, Thomas S.
71.	74,870.00	Andryszak, John A.
72.	74,078.40	Davis, Michael H.
73.	72,500.00	Proctor, Gregory S.
74.	72,451.00	Muir, Scott
75.	72,129.08	Gunther, Robert
76.	71,030.05	Sheehan, Lorraine M.
77.	70,000.00	Hawk, Wynne Elizabeth
78.	70,000.00	Kinkel, Anthony G.
79.	70,000.00	McHugh, Kathleen
80.	68,787.50	Conwell, John F.
81.	65,916.68	Fowlkes, Lyle
82.	65,250.00	Zellmer, Jeffrie
83.	64,972.92	Jacobson, Jonas A.
84.	63,750.00	Iacobazzi, Catherine F.
85.	62,407.00	Doherty, Frances
86.	61,786.63	Murphy, Kathleen M.
87.	60,669.00	Pennino, Bonita Maria
88.	60,000.00	Benton, Cheryl
89.	60,000.00	DeFrancis, Joseph A.
90.	60,000.00	Thomas, David Wayne
91.	59,500.00	Ciekot, Ann T.
92.	58,912.47	Antoun, Mary
93.	58,000.00	Komenda, Frank J.

94.	58,000.00	Townsend, Pegeen
95.	57,700.00	Neily, Alice J.
96.	57,500.00	Jepson, Robert
97.	57,000.00	Counihan, Gene W.
98.	56,741.68	Taylor, Casper
99.	56,344.40	Richardson, Lawrence A., Jr.
100.	55,736.00	Sammis, Elizabeth P.
101.	51,973.00	Woolums, John R.
102.	51,750.00	Manis, George N.
103.	51,250.00	Nathanson, Martha Dale
104.	50,771.00	Bjarekull, Tina M.

● APPENDIX C

EXPENDITURES ON SPECIAL EVENTS

November 1, 2002 - October 31, 2003

<u>Group Invited</u>	<u>Number of Times Invited</u>	<u>Total</u>
All General Assembly	116	\$784,069.26
Senate Only	1	3,810.65
Anne Arundel County Delegation	12	45,957.58
Baltimore City Delegation	21	63,488.75
Baltimore County Delegation	21	47,800.59
Carroll County Delegation	4	842.32
Harford County Delegation	8	4,801.95
Howard County Delegation	7	22,005.37
Lower Eastern Shore Delegation	7	2,442.37
Montgomery County Delegation	27	75,503.47

Prince George's County Delegation	27	69,420.24
Upper Eastern Shore Delegation	10	24,866.88
Western Maryland Delegation	5	12,913.62
Southern Maryland Delegation	9	27,397.48
<u>HOUSE</u>		
Appropriations	12	7,148.87
Health & Governmental Operations	22	38,249.74
Economic Matters	19	34,615.25
Environmental Matters	11	18,312.77
Judiciary	9	10,879.76
Ways and Means	12	17,163.25
<u>SENATE</u>		
Budget and Taxation	20	18,197.34
Education, Health & Environmental Affairs	10	8,771.14
Finance	28	41,996.57
Judicial Proceedings	14	21,243.02

TOTAL: \$1,401,898.24

(NOTE: Where more than one committee was invited to the same event for the purposes of this report, there may be a proportionate allocation.)

LOBBYING FIRMS EARNING \$1,000,000 OR MORE

November 1, 2002 - October 31, 2003

<u>Name of Firm</u>	<u>Amount of Compensation Reported</u>
Rifkin, Livingston, Levitan & Silver	\$2, 505,570.56
Alexander & Cleaver, P.A.	2,176,335.51
Funk & Bolton, P.A.	1,250,292.87
Piper Rudnick LLP	1,098,716.14