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March 18, 2025

Rhode Island Ethics Commission  
40 Fountain Street, 8th Floor  
Providence, RI 02903

Dear Members of the Rhode Island Ethics Commission:

This letter follows up on the Commission's vote to initiate rulemaking to amend 520-RICR-00-00-1-Gifts in response to the petition from Common Cause Rhode Island.

Common Cause Rhode Island examined the gift rules in all 50 states and would like to share with you some information we found. In our original letter we stated that at least 22 states have gift rules that apply specifically to lobbyists, and at least 12 of those states also have rules that rely on application of a test, similar to the "interested person" analysis. A closer review of the states reveals that at least 27 states have gift rules that apply specifically to lobbyists, and at least 17 of those states also have rules that rely on application of a test. *So in more than half of the states lobbyists, regardless of whether they are working on behalf of for-profit or not-for-profit organizations, are subject to gift rules.*

In the attachment we suggest language (changes are in red) that would add to the definition of an "interested person" in 520-RICR-00-00-1.4.2(c) anyone who is "a person, business, or other entity, whether for profit or not for profit, that engages lobbyists or is a registered lobbyist or lobbying firm as defined by the laws or municipal ordinances of this state." Those terms are taken directly from the Lobbying Reform Act found in § 42-139.1-et. seq.

Based on feedback from members of the Commission, we also added language to 520-RICR-00-00-1.4.2(d)(3) that would exempt gifts from lobbyists, lobbying firms and persons engaging lobbyists and lobbying firms to persons they are not registered to lobby. Lobbyists, lobbying firms and persons engaging lobbyists and lobbying firms must report to the Secretary of State which state-level officials they are lobbying. The City of Providence, which is the only municipality with a lobbyist-registration ordinance, also requires disclosure of who is being lobbied.

We also examined advisory opinions issued by the Ethics Commission over many decades to look for instances when you gave your approval to someone subject to the Code of Ethics receiving something of value from a lobbyist who wasn't considered an "interested person." In AO 98-114 you found that the Rhode Island Public Expenditures Council (RIPEC) "is not an 'interested person' as defined in Regulation 5009." You concluded that "While RIPEC may undertake educational, informational or even lobbying activities in favor of or opposed to general or specific legislative or administrative proposals or initiatives, it does not do so having a direct financial interest in the legislative or administrative decisions being made." RIPEC is a 501(c)3 organization under the Internal Revenue Code.



Each year RIPEC holds a dinner to which it invites the entire General Assembly and all the statewide officers. Other not-for-profits similarly hold events to which they invite the entire legislature and statewide officers.

Our review of state ethics laws found 23 states have some sort of exception for food and beverages supplied at events, most often when the entire legislature is invited. We added language to 520-RICR-00-00-1.4.2(d)(4) that would create an exemption for food and beverages consumed at an event to which the entire legislator or all of the general officers are invited and is being hosted by a not-for-profit organization, even if they employ a lobbyist, so long as they are not an "interested person."

We hope you find our proposed language helpful as you consider how to amend the gift rule. Common Cause Rhode Island believes these additions would achieve our goal of closing the loophole in the gift rule that exists for lobbyists or not-for-profit organizations that employ lobbyists. We also believe they would protect behavior by lobbyists and not-for-profit organizations that employ lobbyists that are not meant to result in undue influence. We look forward to working with the Commission to craft them into a workable regulation.

Sincerely,

John Marion  
Executive Director

Attachment (1)



## Attachment

### **520-RICR-00-00-1.4.2 Gifts (36-14-5009)**

A. No person subject to the Code of Ethics, either directly or as the beneficiary of a gift or other thing of value given to a spouse or dependent child, shall accept or receive any gift of cash, forbearance or forgiveness of indebtedness from an interested person, as defined herein, without the interested person receiving lawful consideration of equal or greater value in return.

B. No person subject to the Code of Ethics, either directly or as the beneficiary of a gift or other thing of value given to a spouse or dependent child, shall accept or receive any gift(s) or other thing(s) having either a fair market value or actual cost greater than twenty-five dollars (\$ 25), but in no case having either an aggregate fair market value or aggregate actual cost greater than seventy-five dollars (\$ 75) in any calendar year including, but not limited to, gifts, loans, rewards, promises of future employment, favors or services, gratuities or special discounts, from a single interested person, as defined herein, without the interested person receiving lawful consideration of equal or greater value in return.

1. For purposes of this regulation a "single interested person" shall include all employees or representatives of an individual, business, organization or entity.
2. The prohibitions in this section do not apply if the gift or other thing of value is:
  - a. a campaign contribution as defined by the laws of the state;
  - b. services to assist an official or employee in the performance of official duties and responsibilities, including but not limited to providing



advice, consultation, information, and communication in connection with legislation, and services to constituents; or

c. a plaque or other similar item given in recognition of individual or professional services in a field of specialty or to a charitable cause.

C. "Interested person," for purposes of this section, means:

1. a person, business, or other entity, whether for profit or not for profit, or a representative of such a person, business, or other entity, that has a direct financial interest in a decision that the person subject to the Code of Ethics is authorized to make, or to participate in the making of, as part of his or her official duties; or

2. a person, business, or other entity, whether for profit or not for profit, that engages lobbyists or is a registered lobbyist or lobbying firm as defined by the laws or municipal ordinances of this state.

D. The prohibitions in this section do not apply if the gift or thing of economic value is given:

1. because of the recipient's membership in a group, a majority of whose members are not persons subject to the Code of Ethics, and an equivalent gift is given or offered to other members of the group;

2. by an interested person who is a person within the family of the recipient, unless the gift is given on behalf of someone who is not a member of said family;

3. by an interested person as defined in subsection (C)(2), that is not also an interested person as defined in subsection (C)(1), to a public official or employee



who is not a member or employee of the state or municipal agency that the interested person is lobbying; or

4. in the form of food or beverage for immediate consumption at a reception or fundraiser to which all members of the General Assembly or statewide officers are invited and is hosted not more than once in any year by a not for profit entity that is not an interested person as defined in subsection (C)(1).

E. For purposes of this regulation, a gift or other thing of value is considered received when it comes into the possession or control of the person subject to the Code of Ethics, or his or her spouse or dependent child, and is a gift or other thing of value subject to the requirements of this regulation unless it is immediately returned to the interested person or given to a bona fide charitable organization without benefit accruing to the person subject to the Code of Ethics.

