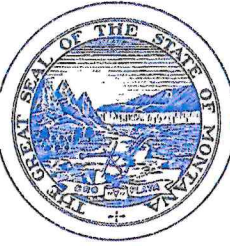


COMMISSIONER OF
POLITICAL PRACTICES



STATE OF MONTANA

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18 February 2026

Angus Maciver, Legislative Auditor
Legislative Audit Division
PO Box 201705
Helena, MT 59620-1706

Subject: The Commissioner of Political Practices Office responds to the audit titled, *Public Access to Lobbying Information* (24P-02), dated November 2024.

Dear Mr. Maciver,

I hope you are well. Thank you for the opportunity to address matters pertaining to the performance audit you and your professional staff conducted in late 2024 regarding COPP lobbying operations. This letter includes your recommendations, our initial response, and a status update with respect to each recommendation. I am available for follow-up discussions to provide any additional details or clarity as to this matter.

LAD Recommendation #1

We recommend the Montana Legislature change statute to mandate electronic lobbying reporting.

COPP Initial Response: Concur

The Commissioner of Political Practices (COPP) agrees that lobbying filings should be done electronically. By making the reports electronic, the information will be available to the public immediately. Currently, the public goes to two different places to find reports that are filed, one for electronic filing and one for paper filing. Paper filings take more time to make available to the public.

Status: Implemented

House Bill 804: *Revise laws for lobbyist payment threshold*, was enacted and amended MCA 5-7-208, to require principals to file electronic reports of payments made to lobbyist.

MCA 5-7-208 now states: A principal subject to this chapter shall file with the commissioner electronic reports of payments made for the purpose of lobbying. A principal is subject to the reporting requirements of this section only if the principal makes total payments for the purpose of lobbying that exceeds the amount specified under 5-7-112 during a calendar year. COPP implemented this statutory change effective as of 1 October 2025.

LAD Recommendation #2

We recommend the Commissioner of Political Practices:

- A. Conduct the required inspection of reports within 10 days of filing to ensure filed reports comply with all MCA requirements.

COPP Initial Response: Partially Concur

COPP staff currently inspect reports within 10 days of filing. There is currently not a way to know if the person who filed the report reported everything. To ensure the person reporting has not missed a category, we would take a system rewrite and budget.

Status: Implemented

COPP conducts timely administrative inspections of filed reports consistent with current statutory and system capabilities.

- B. Establish policies and procedures to guide staff's administration of the lobbying program.

COPP Initial Response: Concur

COPP staff agree we should have written policies for our Lobbying programs. We will work on this and should have it complete by May 2025.

Status: Being Implemented

COPP is developing written policies and procedures for lobbying program administration, with completion anticipated for May 2026.

- C. Exercise the office's audit authority on a regular basis.

COPP Initial Response: Concur

The current statute MCA 5-7-212 provides the commissioner "may" audit filed reports. While COPP staff currently inspect filed reports and require corrective measures, we have never exercised the discretionary authority to conduct random or regular audits because we lack necessary expertise to professionally perform such functions. If the legislature provides additional resources to adequately and professionally perform random audits, we can meet such an objective. However, I cannot concur with this particular recommendation without additional resources.

Status: Implemented and Being Implemented

The Office of Commissioner of Political Practices has established a dedicated compliance audit function after receiving an appropriation from the 2025 Legislature. Stacy Wallace was hired as the COPP Compliance Auditor and began working on 15 November 2026.

She has completed a baseline audit and submitted it to Commissioner Gallus. Mrs. Wallace will use the internal agency audit as a means to assess progress in COPP operations and develop the program to conduct audits of principal L-5 reports in accordance with Government Auditing

Standards (Yellow book) standards. These audits are intended to exercise the Commissioner's statutory audit authority under MCA 5-7-212 on a regular basis.

The creation of this position addresses prior limitations related to audit expertise and enables the office to professionally conduct regular and random audits consistent with statutory authority. COPP anticipates conducting random audits of approximately 20% of principals, subject to risk assessment and available resources, in anticipation of developing a report for the 2027 that will identify reporting issues and identify policy issues the Legislature might wish to consider.

LAD Recommendation #3

We recommend the Montana Legislature amend statute to:

- A. Eliminate the \$5,000 threshold for lobbying report filings, and
- B. Mandate monthly reporting by all registered principals during the legislative session, and quarterly reporting for the remainder of the biennial reporting timeframe.

COPP Initial Response: Concur

COPP agrees that the \$5,000 filing threshold is confusing. There is no way to track or know if a principal has spent \$5,000 in a month or not. Making required reporting dates would cause any confusion and help staff track who need and who doesn't need to file the reports.

Status: Implemented

In addition to addressing electronic filing requirements, HB 804 eliminated the \$5,000 trigger and replaced it with the same trigger we use to trigger other lobbying-related statuses, which is presently \$3,000. As identified by LAD and the legislature this creates consistency and reduces confusion.

LAD Recommendation #4

We Recommend the Commissioner of Political Practices update the online reporting platform's interface to conform with best practices for lobbying disclosure platforms, seeking additional resources as necessary, to include, at a minimum, simplified search features, easily accessible lists of registered lobbyists and principals, and data downloads in spreadsheet format.

COPP Initial Response: Concur

COPP agrees the online reporting system needs to be remodeled and used for mandatory filings. We would like a system that is user friendly for the public to access the information they are looking.

Status: Being Implemented

COPP has initiated preliminary efforts to improve public access to lobbying disclosure information and to address usability limitations in the current online reporting system. These efforts include development of a secure, internally managed database to support improved search functionality, including the ability to retrieve information without requiring exact query matches, and clearer access to information regarding registered lobbyists and principals.

COPP has previously advised the Interim Budget Committee that the existing lobbying and campaign finance reporting systems are outdated and that vendor support has been significantly reduced. The current vendor contract includes provisions that could limit continued support if key personnel are no longer available. In response to these risks, COPP is developing an interim backup capability to ensure continuity of required reporting and public access functions as a short-term solution.

Longer-term replacement of the lobbying and campaign finance reporting systems is under consideration and is intended to address deficiencies identified in the 2024 Legislative Audit Division audit. Preliminary cost estimates received by COPP for full system replacement range from approximately \$2.0 to \$2.5 million. This figure includes both campaign finance and lobbying systems. COPP is working to seek inclusion in the State Information Technology funding bill (HB 10) for the 2027 legislative session. Based on information provided by system developers, funding approval and system development could take approximately one year.

If you have any questions regarding our responses, please contact Commissioner Chris Gallus, Kym Trujillo, Compliance Specialist Supervisor or Stacy Wallace, Compliance Auditor.

Sincerely,

A handwritten signature in cursive script, appearing to read "Chris J. Gallus".

Chris J. Gallus
Commissioner of Political Practices
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