

# Covington's Pay-to-Play Survey Offers One Stop Shop for Compliance Departments

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Election and Political Law

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Companies doing business with state and local governments or operating in regulated industries are subject to a dizzying array of “pay-to-play” rules. These rules effectively prohibit company executives and employees (and in some cases, their family members) from making certain personal political contributions. Even inadvertent violations can be dangerous: A single political contribution can, for example, jeopardize the company's largest public contract.

To ensure compliance with these rules, some companies have adopted pay-to-play policies that require employees to obtain pre-approval from the legal or compliance department before making certain political contributions. But it is not always easy to determine whether a particular contribution should be pre-approved. Analyzing how the rules apply to a contribution and identifying the universe of applicable pay-to-play rules is a daunting challenge.

To help in-house lawyers and compliance professionals with making these decisions, Covington annually updates a detailed 50-state survey of pay-to-play rules. This **315-page** survey:

- Details all statewide pay-to-play rules.
- Describes over one hundred “specialty” pay-to-play rules that apply to contractors doing business with certain agencies or companies operating in certain regulated industries, including those that apply to investment firms that manage state or local public funds, lottery and gaming companies, public utilities, redevelopment contractors, and insurance companies.
- Lists numerous localities that have adopted their own rules.

The survey also includes user-friendly charts and legal citations answering questions such as:

- Which donors are affected?
- Which contributions are restricted?
- Is there a de minimis exception? What are the other exceptions?
- Which types of contracts are covered?
- How long after a contribution does the restriction run?
- Does the rule restrict political fundraising and other solicitations?
- Are there reporting and disclosure requirements?
- What are the penalties?

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The survey can be purchased in its entirety, or individual states or groups of states may be purchased at discounted rates. For questions or to purchase the survey, please contact [paytoplaysurvey@cov.com](mailto:paytoplaysurvey@cov.com).

This information is not intended as legal advice. Readers should seek specific legal advice before acting with regard to the subjects mentioned herein.

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