



2008 Random Audit Report for Lobbyist Thomas Blalack

Pursuant to T.C.A. § 3-6-308(a)(7), on June 24, 2008, the name of registered lobbyist Mr. Thomas Blalack was randomly drawn for audit. The audit of Mr. Blalack was conducted in the offices of the Tennessee Ethics Commission, 201 4th Avenue North, 18th Floor, Nashville, Tennessee 37219. The audit was conducted by Assistant General Counsel, Willow E. Fort.

SUMMARY OF FINDINGS:

All requested documentation was provided by Mr. Blalack and no violations were noted.

EMPLOYER

Mr. Blalack is employed as an in-house lobbyist by GlaxoSmithKline.

REGISTRATION:

GlaxoSmithKline is Mr. Blalack's sole employer. Mr. Blalack has been employed by GlaxoSmithKline for the past twenty-six (26) years. Mr. Blalack and GlaxoSmithKline have registered with the Commission since the Commission came into being. Mr. Blalack indicates he completes GlaxoSmithKline's registrations and lobbying disclosure reports.

Mr. Blalack reports that he lobbies for GlaxoSmithKline in Tennessee, Mississippi, and Kentucky.

By statute, Employers and lobbyists must register within seven (7) days after entering into an agreement to become an Employer or a lobbyist, respectively. Mr. Blalack registered as a lobbyist on December 19, 2007, and GlaxoSmithKline registered as an employer of a lobbyist on January 4, 2008. The agreement to lobby as an in-house lobbyist is year-round. Therefore, Mr. Blalack was obligated to register the first day of the 2008 calendar year, January 1, 2008. Mr. Blalack registered before that deadline. GlaxoSmithKline registered within seven (7) days of the effective date of the agreement. Both registrations were timely.

CONTRACT:

Mr. Blalack has an oral employment contract with GlaxoSmithKline. The parameters of his employment are evidenced by a job description Mr. Blalack provided to the

Commission. To verify the oral contract, Mr. Blalack provided the name and contact information of GlaxoSmithKline's Area Vice-President for State Governmental Affairs, Jack P. Graham. Mr. Blalack indicated Mr. Graham was his immediate supervisor.

Mr. Blalack reported that his reimbursement and/ or pay were in no way contingent upon success. Mr. Blalack does receive "regular incentive" and "exchange offer incentives" as a portion of his pay from GlaxoSmithKline. Mr. Blalack indicated the "regular incentives" were quarterly bonuses based on GlaxoSmithKline's sales and that all persons above a certain pay grade received the same bonus whether or not they were engaged in lobbying. Mr. Blalack indicated the "exchange offer incentives" were based on stock options, many employees other than lobbyists received this same bonus, and the bonus was in no way tied to his performance as a lobbyist.

FAMILY OR BUSINESS ARRANGEMENTS WITH PUBLIC OFFICIALS:

Mr. Blalack reports he has no business or familial relationships with persons who are officials in the legislative branch, officials in the executive branch, or any candidate for public office.

TRAINING:

Mr. Blalack attended the required training last year on June 19, 2007. Mr. Blalack has completed his 2008 training on June 18, 2008. The Commission has received payment for this 2008 training.

AMOUNTS REPORTED BY LOBBYIST AND EMPLOYER:

Mr. Blalack reports that his job description includes many tasks other than lobbying. This assertion is substantiated by the job description provided by Mr. Blalack. Other than lobbying, Mr. Blalack's duties include supporting sales personnel, management of manufacturing facilities, and working with advocacy groups. When he is lobbying, a substantial amount of Mr. Blalack's time is spent lobbying in Kentucky and Mississippi.

Mr. Blalack submitted pay stubs from GlaxoSmithKline to indicate the amount of his total pay, and expense reports to indicate what portion of his total pay was for lobbying in Tennessee

GlaxoSmithKline reported spending between twenty-five thousand dollars (\$25,000) and fifty thousand dollars (\$50,000) on lobbyist compensation within Tennessee during the last reporting period. The expense reports submitted indicate GlaxoSmithKline compensated Mr. Blalack within this range. The amount GlaxoSmithKline reported spending on lobbyist compensation would encapsulate the amount received by Mr. Blalack for lobbying during the same period. GlaxoSmithKline does employ two (2) lobbyists in addition to Mr. Blalack, however, and their pay and expense reports were, not reviewed for this audit of Mr. Blalack.

GlaxoSmithKline reported spending less than ten thousand dollars (\$10,000) on lobbying related expenses during the last reporting period. The expense reports submitted indicate GlaxoSmithKline paid Mr. Blalack approximately one thousand nine hundred forty-eight dollars (\$1,948.00) for lobbying related expenses during this same reporting period. The amount GlaxoSmithKline reported spending on lobbying-related expenses would encapsulate the amount received by Mr. Blalack during the same period. GlaxoSmithKline does employ two (2) lobbyists in addition to Mr. Blalack, however, and their expense reports were, of course, not reviewed for this audit of Mr. Blalack.

IN-STATE EVENTS:

Mr. Blalack reported neither he nor his employer had expenditures for events within Tennessee.

Report Completed by:

Willow Eden Fort/smn
Willow Eden Fort
Assistant General Counsel
Tennessee Ethics Commission