



**The District of Columbia Government
Board of Ethics and Government Accountability**

Final Periodic Audit Report on Graves, Horton, Askew & Jenkins, LLC

January 2016

Lobbyist Activity Report

July 1, 2015 through December 31, 2015

February 2017

Office of Government Ethics

BACKGROUND

Graves, Horton, Askew & Jenkins, LLC (“GHAJ”) is registered with the Director of Government Ethics pursuant to D.C. Official Code §§ 1-1162.27(a) and 1-1162.29(a). GHAJ registered on September 30, 2015 to lobby the District of Columbia government regarding matters relating to the Exelon-PHI merger during the 2015 calendar year. Earle C. Horton III, a partner at GHAJ, was retained by Exelon Corporation (“Exelon”) to lobby the District on its behalf for an annual fee for a 120-day engagement. On January 10, 2016, GHAJ filed a January 2016 Lobbyist Activity Report (“LAR”) covering the period July 1, 2015 through December 31, 2015. On February 19, 2016, the Director of Government Ethics, Darrin Sobin, issued an Audit Notification letter to GHAJ and request for records to substantiate information disclosed on its January 2016 LAR.

In a response letter, dated March 7, 2016¹, Mr. Horton stated, “neither GHAJ nor him engaged in any lobbying activities in the District of Columbia during the six (6) months prior to the January 11 filing deadline.” For that reason, GHAJ and Mr. Horton maintained they did not have any documents to provide in response to the Director’s request. A review of GHAJ’s January 2016 LAR shows that Mr. Horton listed Exelon-PHI merger as a matter on which it expected to lobby on behalf of his client. Lobbying is defined as communicating directly with any official in the executive or legislative branch of the District government with the purpose of influencing any legislative action or administrative decision.² There is nothing in the GHAJ’s LAR that suggests that it engaged in direct lobbying communication to influence any legislative action administrative decision. In addition, Mr. Horton disclosed \$ 0.00 compensation on GHAJ’s Schedule-A and \$ 0.00 in expenditures on Schedule A-1 of GHAJ’s filed activity report for the January 2016 filing period.

OGE’s preliminary findings were communicated to Mr. Horton through the Office of Government Ethics’ (“OGE”) Statement of Findings (draft audit report), provided to him on September 26, 2016. On December 4, 2016, Mr. Horton accepted the OGE report’s findings in his response letter.³

¹ The March 27, 2016 response letter is available at the Board of Ethics and Government Accountability Office.

² See D.C. Official Code § 1-1161.01(32)(A).(Lobbying). D.C. Official Code § 1-1161.01(31) states that “Legislative action” includes any activity conducted by an official in the legislative branch in the course of carrying out his or her duties as such an official, and relating to the introduction, passage, or defeat of any legislation in the Council.” D.C. Official Code § 1-1161.01(1) states that “Administrative decision” means any activity directly related to action by an executive agency to issue a Mayor's order, to cause to be undertaken a rulemaking proceeding (which does not include a formal public hearing) under Chapter 5 of Title 2, or to propose legislation or make nominations to the Council, the President, or Congress.”

³ The December 4, 2016 response letter is available at the Board of Ethics and Government Accountability Office.

OBJECTIVE

The Office of Government Ethics' objective is to determine the extent to which GHAJ is able to demonstrate compliance with the Ethics Act by providing documentation to support information disclosed on its January 2016 Lobbyist Activity Report filed with the Director of Government Ethics.

SCOPE

The audit procedures performed included examination of source documents and reports filed with the Director of Government Ethics in order to verify the following:

- i. Mathematical accuracy of the lobbyist activity report during the period audited;
- ii. Amount of income reported for lobbying activities;
- iii. Total reported receipts and expenditures and individual transactions;
- iv. Proper categorization of the receipts and expenditures of the filer/registrant- who may be a lobbyist, lobbying entity, or client; and
- v. Other review procedures as deemed necessary under the circumstances.

Audit Risk Factor Rating Scheme

The Risk Factor (RF) associated with each test is listed in the third column of the table and is noted as follows:

RF-H - Risk in this situation is high. It indicates a potential violation of the Ethics Act. It also decreases public confidence in the integrity of government. Substantial penalties may be incurred and/or there may be negative media exposure.

RF-M - Risk in this situation is moderate. Under certain conditions, non-compliance may have negative impacts.

RF-L - Risk in this situation is low.

RF-O - There is no risk in this situation.