



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

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

**January 2016**

**Lobbyist Activity Report**

**July 1, 2015 through December 31, 2015**

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**February 2017**

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**Office of Government Ethics**

## BACKGROUND

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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, 2016<sup>1</sup>, 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.<sup>2</sup> There is nothing in the GHAJ's LAR that suggests that it engaged in direct lobbying communication to influence any legislative action or 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.<sup>3</sup>

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

<sup>2</sup> 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."

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

## **OBJECTIVE**

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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**

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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.

## SUMMARY OF AUDIT FINDINGS

OGE found no material finding during the audit of GHAJ's January 2016 Lobbying Activity Report.

Criteria (Substantive Tests Performed)	Conditions	Effects (Material Findings)	Risk Factors	Correction Actions Recommended and/or Taken
Did the Lobbyist provide documentation for key elements?	Yes	None	RF-O	Not Applicable
Did the Lobbyist provide documentation for income earned towards lobbying?	GHAJ earned no income towards lobbying during this period	None	RF-O	Not Applicable
Did the Lobbyist provide documentation for expenses made towards lobbying?	GHAJ incurred no expenses during this period.	None	RF-O	Not Applicable
Did the Lobbyist accurately complete its Lobbyist Registration Form?	Yes	None	RF-O	Not Applicable
Did the Lobbyist file Activity reports online?	Yes	None	RF-O	Not Applicable
Did the Lobbyist timely file Activity Report?	Yes	None	RF-O	Not Applicable
Did the Lobbyist accurately complete its Lobbyist Activity Report?	Yes	None	RF-O	Not Applicable
Did the Lobbyist timely register pursuant to D.C. Official Code § 1-1162.27(a)?	Yes	None	RF-O	Not Applicable
Did the Lobbyist timely pay its registration fee pursuant to D.C. Official Code §1-1162.27?	Yes	None	RF-O	Not Applicable

## AGENCY COMMENTS

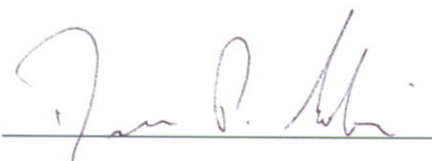
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OGE's review of GHAJ's January 2016 LAR and the records presented shows that GHAJ's January 2016 Lobbyist Activity Report accurately reflects the financial history of the lobbyist for the applicable reporting period. Thus, OGE determined that GHAJ satisfactorily addressed the single deficiency noted in the review.

## RECOMMENDATION

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OGE, therefore, recommends that the Ethics Board issue this Audit report as the "Final Periodic Audit Report" for Graves, Horton, Askew & Jenkins, LLC Group. It has been determined that the January 2016 Lobbyist Activity Report filed by GHAJ with the Director of the Office of Government Ethics complies with the Ethics Act.



DARRIN P. SOBIN  
Director of Government Ethics  
Board of Ethics and Government Accountability



Clara O. Olawunmi CFE, CIGA  
Certified Inspector General Auditor

## FINAL PERIODIC AUDIT REPORT APPROVED FOR RELEASE:



Robert Spagnoletti, Chairman  
Board of Ethics and Government Accountability

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February 9, 2016  
Board of Ethics and Government Accountability

