



GOVERNMENT OF THE DISTRICT OF COLUMBIA
BOARD OF ETHICS AND GOVERNMENT ACCOUNTABILITY

Final Periodic Audit Report on Troutman Sanders Strategies

January 2015

Lobbyist Activity Report

July 1, 2014 through December 31, 2014

January 2016

OFFICE OF GOVERNMENT ETHICS
Darrin P. Sobin
Director of Government Ethics

BACKGROUND

H.R. Bert Pena, Partner at Troutman Sanders Strategies ("Troutman") is a registered lobbyist with the Board of Ethics and Government Accountability ("BEGA"). Mr. Pena registered as a lobbyist on January 15, 2015 in accordance with the Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011 ("Ethics Act"), effective April 27, 2012 (D.C. Law 19-124; D.C. Official Codes § 1-1162.27(a) and 1-1162.29(a) (2014 Supp.)). Mr. Pena listed Corizon Health, Inc. ("Corizon") as a "client of registrant" on the January 2015 Lobbyist Registration Form (LRF) filed on behalf of registrant and lobbying entity, Troutman. Additionally, on January 12, 2015, Mr. Pena, again on behalf of Troutman, filed a January 2015 Lobbyist Activity Report ("LAR"), reflecting lobbying activity done on behalf of Corizon during the reporting period (July 1, 2014-December 31, 2014).

On June 30, 2015, OGE issued an audit notification letter to Mr. Pena. On July 8, 2015 OGE received both electronic and paper copies of the materials requested in the audit notification from Mr. Pena. The audit of the statements and records of Troutman, as recorded and submitted by Mr. Pena covered its lobbying activities on behalf of its client Corizon, for the period July 1, 2014 through December 31, 2014. During the OGE pre-audit period, it was observed that the report filed by Mr. Pena for Troutman showing its lobbying work for Corizon reflected total aggregate receipts for lobbying activities of \$20,000.00 and total aggregate expenditures of \$20.00; in contrast, however, Troutman's client, Corizon, disclosed total aggregate receipts of \$24,000 as a retainer fee paid to Mr. Pena during this reporting period.

The preliminary findings were communicated to Mr. Pena through a statement of findings (draft audit report) provided to Mr. Pena on January 11, 2016. The statement of findings presented OGE's opinion and outcome of the periodic random audit. Mr. Pena responded to our communication on January 12, 2016 via electronic mail. It should be noted that the audit staff had several conversations with Mr. Pena via email and telephone explaining the discrepancy in the LAR filed by Mr. Pena and his compensating registrant (Client), Corizon.

On the same date, January 12, 2016, Mr. Pena provided a response to the statement of findings and the Director Office of Government Ethics' letter. Mr. Pena in his response explained the reason for the difference in the reporting of the Corizon fees in the Troutman's January 2015 LAR.

Mr. Pena in his response stated that he sent six invoices to Corizon for a total of \$24,000.00 for the six month period but did not receive the last payment of \$4,000 for December 2014 until January 2015, thus the reason for the difference in reporting. In addition to his explanations, Troutman provided a payment receipt to show proof of payment by Corizon in January 2015 for the \$4,001.92 difference. That communication is attached to this report.

OBJECTIVE

BEGA's objective was to determine the extent to which Mr. Pena, Partner at Troutman was able to demonstrate compliance with the Ethics Act by providing documentation to support information disclosed on its January 2015 LAR submitted with BEGA as required under the Ethics Act.

AUDIT STANDARDS

OGE conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on OGE's audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objective.

SCOPE AND METHODOLOGY

The audit scope covered Mr. Pena's lobbying activities from July 1, 2014, through December 31, 2014, as reported on Troutman's January 2015 LAR. The audit procedures performed included examination of source documents and reports filed with BEGA in order to verify the:

- i. Mathematical accuracy of the Lobbyist Activity Report during the period audited;
- ii. Amount of income reported for lobbying activities;
- iii. Total reported receipts, 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.

SUMMARY OF FINDINGS

Substantive Tests	Results	Strength/ Weakness	Material Findings	Corrective Measures
Lobbyist provided documentation for key elements	Yes	Documentation does not reflect same total aggregate amount disclosed by Lobbyist and its client on their January 2015 Lobbyists Activity Reports filed with BEGA	**Amount differed by \$4,001.92	Auditee provided payment receipt to show proof of payment by Corizon in January 2015 for the \$4,001.92 difference. Amount rounded to the nearest whole dollars.

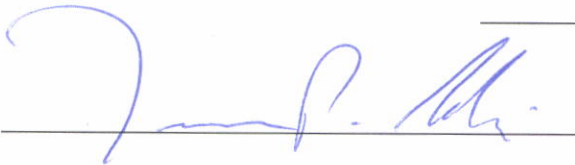
Lobbyist provided documentation for income earned towards lobbying	Yes	Documentation does not reflect same total aggregate amount disclosed by Lobbyist and its client on their Lobbyists Activity Reports filed with BEGA. Amount rounded to the nearest whole dollars.	Auditee provided payment receipt to show proof of payment by Corizon in January 2015 for the \$4,001.92 difference. Amount rounded to the nearest whole dollars.
Lobbyist provided documentation for expenses made towards lobbying	Yes	Amount rounded to the nearest whole dollars	
Did the lobbyists accurately complete its Lobbyist Registration Form?	Yes		
Did the lobbyist file its activity reports online?	Yes		
Did the lobbyist timely register pursuant to D.C. Official Code § 1-1162.27(a)?	Yes		
Did the lobbyist timely pay its registration fee pursuant to D.C. Official Code § 1-1162.27?	Yes		
Did the lobbyist file its Lobbyist Activity report online?	Yes		

AGENCY COMMENTS

It is the opinion of the BEGA Audit staff, based upon the review of Troutman's January 2015 LAR and the source documents presented by the auditee in his response, that the report of Troutman's lobbying activities on behalf of Corizon, submitted by its lobbyist; Mr. Pena accurately represents the financial history of the lobbyist for that reporting period. The accounting of the receipts and expenditures is in compliance with the disclosure requirements of the Ethics Act.

RECOMMENDATION

We, therefore, recommend that the Board issue this Audit report as a "Final Periodic Audit Report" for Troutman Sanders Strategies. It has been determined that the January 2015 Lobbyist Activity Report filed by Mr. Pena, Partner at Troutman Sanders Strategies, with the Director, Office of Government Ethics, is in compliance 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

February 4, 2016