



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

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**Final Periodic Audit Report on MaryEva Candon**

**January 2015**

**Lobbyist Activity Report**

**July 1, 2014 through December 31, 2014**

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**April 2016**

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

## **BACKGROUND**

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MaryEva Candon is a registered lobbyist with the Board of Ethics and Government Accountability ("BEGA"). 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 Code § 1-1162.27(a) and D.C. Official Code § 1-1162.29(a) (2015 Supp.), Ms. Candon registered as a lobbyist on January 17, 2014 to lobby on behalf of Altria Client Services LLC and its Affiliates ("Altria") for the calendar year 2014. On the above-referenced 2014 Lobbyist Registration Form ("LRF"), Ms. Candon disclosed that she expected to lobby for her client, Altria, on issues pertaining to tobacco sales and manufacturing.

On January 6, 2015, Ms. Candon, filed a January 2015 Lobbyist Activity Report ("LAR") reflecting lobbying activities performed on behalf of Altria during the reporting period, July 1, 2014 to December 31, 2014.

On June 30, 2015, BEGA issued an audit notification letter and request for financial documents to Ms. Candon. On November 23, 2015, BEGA received electronic copies of these documents from Ms. Candon. The documents were inventoried and the records were found incomplete. On November 24, 2015, Ms. Candon was notified that her documents were not complete and was advised to provide proper documentation to substantiate the receipts and expenditures reflected on her January 2015 LAR.

On December 21, 2015, Ms. Candon provided additional documents in response to BEGA's request. After receiving these additional documents, the documentation provided was deemed complete. Substantive tests commenced upon the receipt of all the required information.

The audit of the statements and records provided by Ms. Candon covered lobbying activities performed on behalf of her client, Altria, for the period July 1, 2014, through December 31, 2014. A review of the activity report revealed that Ms. Candon did not complete Schedule A on her January 2015 LAR. While Ms. Candon disclosed the sum of \$ 2,125.00 in monthly retainer fees that she received from Altria for lobbying on its behalf, she did not disclose the cumulative annual amount paid by Altria on Schedule A of her report. Altria on its corresponding LAR, disclosed \$12,750.00 in retainer fees paid to Ms. Candon for the same time period, and \$25,500.00 in cumulative annual fees paid to Ms. Candon over the course of 2014.

Ms. Candon provided six payment notices from Altria, which reflected aggregate payment receipts received from Altria. Ms. Candon also disclosed lobbying expenditures of \$72.00 towards travel, and a personal political contribution of \$500.00 for the January 2015 reporting period. Receipts and other documentation provided by Ms. Candon also reflect other aggregate expenditures reported on her January 2015 LAR.

These preliminary findings were communicated to Ms. Candon through the Office of Government Ethics ("OGE") Statement of Findings (draft audit report), which was provided to Ms. Candon on February 25, 2016. The statement of findings presented OGE's opinion and outcome of the periodic random audit. On the same date, Ms. Candon acknowledged receipt of



OGE's findings via electronic mail. The audit staff followed up with Ms. Candon through telephone calls to ensure that OGE's recommended corrective action, that Ms. Candon amend Schedule A of her January 2015 Lobbyist Activity report to reflect the retainer fees she received from Altria, was taken to cure the single deficiency identified in her report.

On March 15, 2016, Ms. Candon provided a response to the OGE's Statement of Findings and OGE's letter. Ms. Candon accepted the findings of OGE's audit. (See attached.)<sup>1</sup> On March 29, 2016, Ms. Candon amended her January 2015 LAR to reflect \$12,750.00 in retainer fees received for the July 1, 2014 to December 31, 2014 reporting period and \$25,500.00 in retainer fees received over the course of 2014.

## **OBJECTIVE**

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BEGA's objective was to determine the extent to which Ms. Candon was able to demonstrate compliance with the Ethics Act by providing documentation to support information disclosed on her January 2015 LAR.

## **AUDIT STANDARDS**

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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**

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The audit scope covered Ms. Candon's lobbying activities from July 1, 2014, through December 31, 2014, as reported on Mary Eva Candon'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.

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<sup>1</sup> Attachment referenced in the audit report is located at the Board of Ethics and Government Accountability Office.

## SUMMARY OF FINDINGS

Substantive Tests	Results	Strength/ Weakness	Material Findings	Corrective Measures
Lobbyist provided documentation for key elements	Yes			
Lobbyist provided documentation for income earned towards lobbying	Yes			
Lobbyist provided documentation for expenses made towards lobbying	Yes			
Did the lobbyists accurately complete its Lobbyist Registration Form?	Yes			
Did the lobbyist file its activity reports online timely?	Yes			
Did the lobbyist timely register pursuant to D.C. Official Code § 1-1162.27(a)?	Yes			
Did the Lobbyist accurately complete its Lobbyist Activity Report?	No	Source documents provided by Ms. Candon do not reflect total retainer fees disclosed by her client on its Lobbyist Activity Reports filed with BEGA.	Ms. Candon failed to disclose retainer fees she received from Altria on the Schedule A of her January 2015 LAR.	Ms. Candon filed an Amendment to correct the identified deficiency on her January 2015 Lobbyist Activity Report.

## AGENCY COMMENTS

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It is the opinion of the BEGA Audit staff, based upon the review of Ms. Candon's January 2015 Lobbyist Activity Report, and the source documents presented, that Ms. Candon's lobbying activities on behalf of Altria accurately represents the financial history of the lobbyist for that reporting period. In addition, Ms. Candon is in compliance with the disclosure requirements of the Ethics Act.

## RECOMMENDATION

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OGE, therefore, recommends that the Board issue this Audit report as a "Final Periodic Audit Report" for MaryEva Candon. It has been determined that the January 2015 Lobbyist Activity Report filed by MaryEva Candon with the Director, Office of Government Ethics, is in compliance with the Ethics Act.

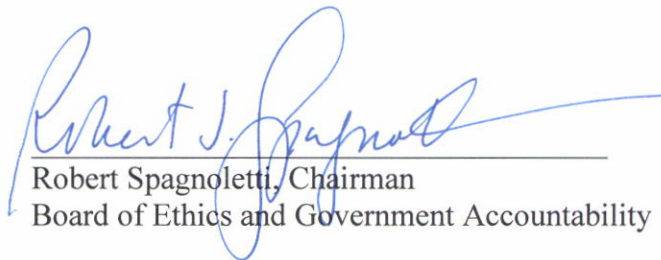


DARRIN P. SOBIN  
Director of Government Ethics  
Board of Ethics and Government Accountability



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

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April 7, 2016