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Rob Sand
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NEWS RELEASE

FOR RELEASE

November 1, 2023

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Auditor of State Rob Sand today released a report on a special investigation of the Iowa Athletic Commission (IAC) for the period of January 1, 2020 through December 31, 2022. IAC was under the Labor Services Division (also known as the Division of Labor) of Iowa Workforce Development (IWD). Effective July 1, 2023, the Labor Services Division was moved to the Department of Inspections, Appeals, and Licensing (DIAL). The special investigation was requested by Iowa Workforce Development (IWD) officials as a result of a complaint received and IWD's subsequent internal investigation of former IAC Program Planner, Dawn Chamberlain.

Sand reported the special investigation identified \$17,206.29 of uncollected or undeposited funds which includes \$12,925.00 of license fees and \$4,281.29 in athletic tax which was not received or remitted to the IAC.

Sand also reported a \$4,325.00 check issued by an Iowa event promoter was improperly written out to Ms. Chamberlain. The check was to pay event fees that the promoter was responsible for, including compensation for event officials and IAC fees. Ms. Chamberlain deposited the check into her personal bank account and subsequently paid \$2,550.00 to event officials via Venmo. Ms. Chamberlain indicated during an interview with IWD officials, event officials were paid with cash. The remaining fees were never turned over to the IAC. The event was allowed to proceed without the required pre-event documentation and fees.

Sand also reported Ms. Chamberlain received gifts, valued at \$1,742.20 which included paid airfare in the amount of \$442.20, hotel accommodations valued at \$300.00, and the benefit of ringside access to an athletic event in Denver, Colorado. Ms. Chamberlain admitted to IWD officials she also travelled to Michigan to attend an athletic event and act as an event "Deputy." Ms. Chamberlain also received \$1,000.00 and a paid hotel accommodation (unknown value), paid by the event promoter.

Sand recommended IWD/DIAL officials implement procedures to ensure the IAC's internal controls are strengthened, including segregation of duties, periodic checks on employee performance, maintain clear and up-to-date policies and procedures, and ensuring IAC purchases align with business needs.

Copies of this report have been filed with the Iowa Division of Criminal Investigation, the Polk County Attorney's Office, and the Attorney General's Office. A copy of the report is available for review on the Auditor of State's website at [Special Interest Reports](#).

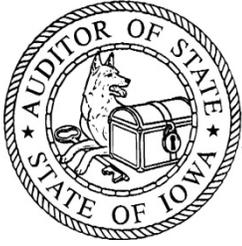
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**REPORT ON SPECIAL INVESTIGATION
OF THE
IOWA ATHLETIC COMMISSION

FOR THE PERIOD
JANUARY 1, 2020 THROUGH DECEMBER 31, 2022**

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Rob Sand
Auditor of State

Auditor of State's Report

To Beth Townsend, Director of
Iowa Workforce Development and
Larry Johnson, Jr., Director of
Iowa Department of Inspections, Appeals and, Licensing:

As a result of alleged improprieties regarding actions taken by a former Program Planner, Dawn Chamberlain, we have conducted a special investigation of the Iowa Workforce Development – Iowa Athletic Commission (IAC). We have applied certain tests and procedures to selected financial transactions of the IAC for the period January 1, 2020 through December 31, 2022. Based on a review of relevant information and discussions with Iowa Workforce Development (IWD) officials and personnel, we performed the following procedures.

- (1) Examined athletic event records to determine if athletic events were properly approved and supported by adequate documentation.
- (2) Reviewed payments received by IAC to identify any missing payments or unusual activity.
- (3) Reviewed additional IAC records, including but not limited to, scanned checks, emails, interviews, images, videos, complaint, receipt log, and contracts.
- (4) Examined the personal bank account, cashed checks, credit card, and PayPal/Venmo accounts for certain deposits to/from Ms. Chamberlain's personal accounts to determine whether IAC related deposits and transactions were present and to identify the source and transaction purpose.
- (5) Contacted IWD independent contractors, an Iowa athletic event promoter and an out-of-state promoter, and the retired Commissioner to obtain additional information regarding questioned activities during the review period.
- (6) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (7) Interviewed Dawn Chamberlain, the former IAC Program Planner, to obtain information on her job duties and explanations for certain transactions.

These procedures identified \$17,206.29 of undeposited, or uncollected, IAC receipts. In addition, it was determined that Ms. Chamberlain received a check from an Iowa promoter in the amount of \$4,325.00. Ms. Chamberlain also made payments to an Iowa promoter and event officials via her personal Venmo account in the combined amount of \$3,250. Ms. Chamberlain received \$1,340.00 from an IWD Independent Contractor (athletic event inspector). It was also determined that the value of the missing Apple AirPods assigned to Ms. Chamberlain was \$174.99.

We also contacted the Iowa Department of Revenue (IDR) via email on June 5, 2023, to obtain additional information regarding sales tax and applicable local option sales tax (LOST) paid by promoters. We provided a listing to IDR, which included the event information, sales tax amount paid, check numbers, and the relevant payment dates from the IAC event tracking spreadsheets. There were 110 sales tax entries shown on the list. IDR reviewed the information and informed us that it was able to locate 89 out of the 110 sales tax payments listed. Additional payments may be on file, but due to the limited sales tax information, a conclusion could not be made on the remaining 21 events listed.

We were unable to determine if any additional receipts were not properly deposited, or received, during the period reviewed because adequate records were not available. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary of this report.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of IAC, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Division of Criminal Investigation, the Polk County Attorney's Office, and the Attorney General's Office.

We would like to acknowledge the assistance extended to us by administrators and personnel of Iowa Workforce Development, the Department of Inspections, Appeals, and Licensing, the Department of Revenue, and all other respective individuals that we reached out to during the course of our investigation.

A handwritten signature in black ink, appearing to read "Rob Sand". The signature is stylized with a large, looped "R" and "S".

ROB SAND
Auditor of State

October 10, 2023

Iowa Athletic Division

Investigative Summary

Background Information

The Iowa Athletic Commission (IAC) is a subdivision of the Labor Services Division (also known as the Division of Labor), previously under the Iowa Workforce Development (IWD). On April 4, 2023, Governor Reynolds signed Senate File 514, which moved IAC to the Department of Inspections, Appeals, and Licensing (DIAL), effective July 1, 2023.

IAC is under the control of the Labor Services Commissioner. The State Commissioner of athletics during the review period was Rod A. Roberts (Commissioner), who was appointed by Governor Reynolds in March 2019. Commissioner Roberts retired in January 2023.

IAC ensures licensing, tax, and registration requirements are met for professional and amateur athletic events in Iowa. Sports that fall under the scope of this investigation include mixed martial arts (MMA), professional boxing, professional kickboxing, and professional wrestling. These sports are regulated, and athletic events shall be sanctioned by IAC in order to take place in Iowa. Promoters are required to adhere to statutory general event requirements as well as sport specific statutory requirements.

The fees received from the athletic events are deposited into the IAC fund and are used to pay IAC related expenses through the fiscal year. At the conclusion of the fiscal year, all revenue in excess of \$20,000 is subsequently transferred to the State's general fund.

Ms. Chamberlain began employment with the Labor Services Division as a Word Processor in November 2007, subsequently became an Administrative Assistant in December 2014, and was promoted to Program Planner in March 2020. The Program Planner position is responsible for providing support and assistance to Division management, organizing special projects within the Labor Service Division, and maintaining the Division's website and forms, among other duties. According to the Department of Administrative Services (DAS) position description questionnaire, an individual serving in this role must have a clear understanding of federal and state laws that are applicable to the Labor Services Division and ensure Division compliance and completion, among other things.

As a Program Planner, Ms. Chamberlain was primarily responsible for the following duties:

- Athletic Events – application intake, approving/denying events, putting events on the IAC's calendar, reviewing documents for completeness, reviewing event match-ups (bouts), scheduling inspectors and deputies for the events, getting officials (referees, judges, timekeepers, and match physician) for the events, issuing athletic licenses, and interacting with promoters;
- Receipts – opening mail, collecting/holding checks, tracking payments received, updating the events spreadsheet, and forwarding checks to the appropriate individual for processing; and
- Disbursements – making certain purchases of equipment and supplies. IWD records show that apparel item orders were also placed by Ms. Chamberlain (such as polos, shirts, backpacks).

While we received information Ms. Chamberlain processed mail or handled checks, Ms. Chamberlain stated during our interview that she was not involved in these processes.

Ms. Chamberlain was a full-time State of Iowa employee and her typical work hours were 8:00am – 4:30pm. Ms. Chamberlain directly reported to the Commissioner. According to IWD officials we spoke

with, Ms. Chamberlain's position did not entail traveling to athletic events without the Commissioner's permission and did not include participating in athletic events as an event deputy or inspector.

On November 15, 2022, IWD received a complaint via telephone alleging that Dawn Chamberlain, Program Planner, was "taking money under the table," was not "following the statute," and was not returning calls, emails, or text messages. The complainant also alleged Ms. Chamberlain accepted bribes in her official position as "head of athletics."

As a result of the complaint, Ms. Chamberlain was placed on paid administrative leave on November 16, 2022. IWD conducted an investigation and the investigative findings ultimately led to Chamberlain's discharge on December 15, 2022.

IWD contacted the Office of Auditor of State on January 5, 2023 and the Attorney General's (AG's) Office on January 6, 2023. The AG's Office recommended that IWD also report the matter to the Iowa Ethics and Campaign Disclosure Board. As a result, we performed procedures as detailed in this report for period January 1, 2020 through December 31, 2022.

Detailed Findings

The procedures performed identified \$17,206.29 in undeposited/uncollected receipts for the period January 1, 2020 through December 31, 2022. In addition, several athletic events were also improperly approved, and payments were not remitted as required by Iowa law.

We also determined, Ms. Chamberlain personally received a check related to an Iowa athletic event and issued Venmo payments to several Iowa promoters and event officials in the amount of \$3,250. Ms. Chamberlain also received \$1,350.00 from an IWD independent contractor via Venmo. The procedures performed also identified Apple AirPods Pro purchased by IAC for \$174.99 which were assigned to Chamberlain were missing.

We were unable to determine if any additional receipts were not properly deposited, or received, during the period reviewed because adequate records were not available.

On June 27, 2023, we conducted an interview with Ms. Chamberlain to obtain an understanding of her job duties and explanations for certain transactions. The information Ms. Chamberlain provided is described through the following sections of the report. Additionally, several of IWD's findings, which we report on, are also discussed below, including Chamberlain's receipt of \$1,742.20 in gifts.

UNDEPOSITED AND/OR UNCOLLECTED RECEIPTS

As previously stated, Ms. Chamberlain was primarily responsible for athletic event application intake, approving/denying events, putting events on the IAC's calendar, reviewing documents for completeness, reviewing event match-ups (bouts), scheduling inspectors and deputies for the events, getting officials (referees, judges, timekeepers, and match physician) for the events, issuing athletic licenses, and interacting with promoters. Ms. Chamberlain also was responsible for updating the events spreadsheet. During our interview with Ms. Chamberlain, she stated that multiple IAC staff members had access to, and could edit, the event spreadsheets.

Using the available athletic event supporting documentation, we reviewed the event records on file to determine if the athletic events were properly approved in accordance with Iowa law as well as IAC rules and procedures. In addition, we reviewed the IAC payment law to determine whether the athletic license fee, athletic tax, and sales tax were properly remitted in accordance with Iowa law.

Event Approvals and Promoter Payments

Iowa Code section 90A.2(1) addresses licenses and states in part "A person shall not act as a promoter of a professional boxing or wrestling match or a mixed martial arts match without first obtaining a

license from the commissioner.” In addition, Iowa Code 90A.11 states “A person who acts as a promoter without first obtaining a license commits a serious misdemeanor and shall be liable to the state for the taxes and penalties pursuant to section 90A.9.”

A “promoter” is defined in Iowa Code section 90A.1 as a person or business that (1) organizes, holds, advertises, or otherwise conducts professional boxing, wrestling, or mixed MMA, or (2) charges admission for the viewing of professional boxing or wrestling through distributed signal, like closed-circuit or pay-per-view.

All athletic events, except for wrestling events, require advanced notice, promoters must provide notice to IAC at least 60 days before the event, but promoters can submit notice up to six months before the event is set to take place as stated in Iowa Administrative Code r. 875-169.3.

In addition, Iowa law requires event promoters submit an application to IAC for all athletic events at least seven days before the event. Promoters must also submit the applicable license fee and other supporting documentation within this same timeframe. Failure to do so may result in event license denial. Promoters do have additional responsibilities and requirements under Iowa law that they must adhere to. IAC’s Promoter Responsibilities Manual which outlines these responsibilities and requirements for promoters.

The decision to issue an event license is in the sole discretion of the Commissioner and several factors play into the Commissioner’s decision, such as the date of the advanced notice, promoter’s prior compliance with statutory requirements, conflicting event applications, staff availability for event, promoter’s history of canceling events, anticipated tax revenue, completeness of application package, and whether the event is indoors or outdoors.

Mixed martial arts (MMA), boxing, and kickboxing all require a license fee of \$450.00. Promoters have the option of remitting the license fee in two payments. At minimum, \$225.00 is due at the time the application is submitted and the remaining \$225.00 must be remitted to IAC no later than seven days before an event. Wrestling events have a required license fee of \$100.00 and must be paid at least seven days before an event. We used the payment log to determine which payments were deposited into the IAC’s bank account and the dollar amount of those receipts. We subtracted the event license fee received for each event from \$450.00 (or from \$100 for wrestling) to determine whether the appropriate license fee was received. We determined that the license fees required to be paid were short by \$12,925.00. The comparison of expected collections to actual deposits in IAC’s bank account are summarized in **Table 1** for each sport.

Table 1

Sport	No. of Approved Events	License Cost	Total License Fee Due	IAC Total License Fee Deposits	Undeposited/ Uncollected
Boxing	26	\$450.00	\$11,700.00	9,900.00	1,800.00
Kickboxing	4	450.00	1,800.00	1,350.00	450.00
MMA	69	\$450.00	31,050.00	21,375.00	9,675.00
Wrestling	104	\$100.00	10,400.00	9,400.00	1,000.00
Total	203		\$54,950.00	42,025.00	12,925.00

Because adequate records were not maintained, we are unable to determine if any additional events took place in excess of the 203 shown above. After an event takes place, the promoter is required to submit an event sales receipt form showing the number of tickets sold and the value of complimentary tickets (with proof) as well as remit two checks to IAC, which includes a 5% athletic tax check issued to IAC and a check issued to IDR for sales tax and any applicable, local option sales tax (LOST) within 20 days of the event taking place, pursuant to Iowa Code section 90A.9(1). Payments must be submitted

by check to the IAC. There was not previously, and up to the time of this report, a method for the promoters to remit their payments electronically.

We attempted to test the accuracy of the information listed on the event receipt forms to determine whether the tax calculated by the promoters was accurate based on ticket sales and ticket price and whether the correct tax due was properly paid by the promoter.

We did not find proof of ticket sales and ticket prices in the event files. Because of this, our athletic tax findings are limited to promoters who submitted their sales event receipt form. If a promoter did not submit the required form and supporting documentation, we were unable to establish the cost of an events' tickets, number of tickets sold, or how many complimentary tickets were issued. Additionally, IAC staff indicates that there is the possibility that additional payments were received but were not on the payment log.

We used the 5% athletic tax amount that was listed of the event lists received from IWD and compared that to the payment log. We determined that the athletic tax payable to IAC was short by \$4,281.29. IDR was able to provide us with some limited sales tax information. As stated above, we provided a listing to IDR, which included the event information, sales tax amount paid, check numbers, and the relevant payment dates from the IAC event tracking spreadsheets. There were 110 sales tax entries shown on the list with a combined total of \$112,460.79.

IDR reviewed the information and informed us that it was able to locate 89 out of the 110 sales tax payments listed. The combined total of the payments located was \$59,357.00. Additional payments may be on file, but due to the limited sales tax information in the event files, a conclusion could not be made on the remaining 21 events listed. **Table 2** summarizes the athletic tax data and shows the variance amount.

Table 2

Sport	No. of Approved Events	Total Promoter Reported Athletic Tax	IAC Total Athletic Tax	Variance
Boxing	26	\$17,727.06	17,891.19	(164.13)
Kickboxing	4	4,972.86	4,972.86	-
MMA	69	57,669.55	53,695.44	3,974.11
Wrestling	104	57,121.65	56,650.34	471.31
Total	203	\$137,491.12	133,209.83	4,281.29

Deputy and Inspector Payments

The respective event deputies and inspectors are independent contractors and not State of Iowa employees. These independent contractors enter into a contractual agreement with the IAC Commissioner and the agreement details their duties, responsibilities, and compensation. The duties of an Inspector include controlling the locker room and ringside area, inspecting hand wraps, ensuring no contestant is cheating, observing fighters, making sure there are no missed injuries, and attending weigh-ins. Deputies inspect all aspects of the event, their duties include all of an Inspectors' duties in addition to reviewing performance of the event officials, record keeping, issuing medical and disciplinary suspensions, and internal reporting/documenting.

Event deputies and inspectors receive compensation through submission of a State of Iowa Travel Payment form. The form is completed and submitted to the applicable IAC staff, who checks the amounts and mileage information listed for accuracy. The IAC staff member then sends the form(s) to DAS for processing and payment. These payments are issued by check. The promoters are responsible for paying the event officials. Based on our discussions with the Commissioner and IWD officials, it was

understood that payment to the event officials was a process that was independent of IAC. It is and was the responsibility of the promoter to pay the officials.

According to the current Chief Deputy, Chad Bergmeier, it was determined that promoters will generally reach out to the Chief Deputy to determine the fees for the officials, which assists the promoters with having the compensation ready to pay out at the event. In addition, according to the Chief Deputy's knowledge, there have not been instances in which officials have not been paid for their services. Generally, promoters will pay the officials with cash or check' however, at times, the promoter gives the payment(s) to the event deputy to pay to out to the officials and on other occasions, the promoter pays the officials directly. The fees for the officials are standard and have not changed in the past few years. The standard costs are not listed on the IAC webpage. The promoter we spoke with stated he brings an envelope with cash to the event and gives that to the event deputy to pay out to the officials.

Xtreme Fighting Championships 44 – On May 28, 2021, Xtreme Fighting Championships, Inc. (XFC) had an event at Wells Fargo Arena in Des Moines, Iowa. However, the event file we received did not contain an application, a license signed by the Commissioner, or any other required pre-event documentation that we reviewed.

During our review of supporting documentation, we identified several email exchanges related to the May 28, 2021 XFC event. We located an Excel spreadsheet to XFC's promoter Myron Molotky sent via email by Ms. Chamberlain on May 19, 2021. **Exhibit A** shows the "Expenses" tab of the spreadsheet Ms. Chamberlain attached to her May 19, 2021 email.

According to the email, Ms. Chamberlain stated she will call Mr. Molotky regarding who he should make the check out to. As indicated above, we obtained and reviewed Ms. Chamberlain's bank statements. While we are not privy to the phone conversation that took place between the two, we identified a check for the XFC expenses was issued to Ms. Chamberlain and deposited in Ms. Chamberlain's bank account. A copy of the check issued to Ms. Chamberlain has been included in **Appendix 1**.

During our interview with Ms. Chamberlain on June 27, 2023, she acknowledged the XFC check was issued to her. In addition, Ms. Chamberlain stated she told XFC that she cannot take the check; however, XFC responded they cannot do anything due to check issuance limitations. According to Ms. Chamberlain, she tried to cash the check at Bank of America; however, was unsuccessful. She stated that she reached out to an experienced contractor, Joe Walsh, for help but eventually deposited the check into her bank account. Ms. Chamberlain also stated she paid out all of the monies to the event officials. Ms. Chamberlain denied that any amount of the check she cashed was for the required IAC license fee when we asked. However, Ms. Chamberlain's statements are inconsistent with the email, and attachment, that she sent to the XFC promoter on May 19, 2021.

According to supporting documentation available, this was an MMA event and according to Iowa Administrative Code rule 875-177.5(12), a promoter may request IAC perform the weigh in for \$200.00 but this fee is optional. As illustrated by **Exhibit A**, there was a weigh-in fee of \$100.00 only. However, the IAC fees were not turned over to the IAC based on available supporting documentation.

According to IWD officials we spoke with, taking on the role of paying event officials on behalf of the promoter was not a part of Ms. Chamberlain's IAC job duties, nor is it the responsibility of the IAC. Based on discussions with the Commissioner, the Commissioner confirmed the statement made by IWD. During our review of Ms. Chamberlain's Venmo account transaction history, we determined Ms. Chamberlain paid a total of \$2,550.00 to several officials as illustrated in **Table 3**.

Table 3

Date	Payee	Amount	Payment Note
06/03/2021	Jeremy Johnson	\$ 500.00	👉[sic] 5/28
06/04/2021	Craig Nasello	500.00	Good [sic] times
06/04/2021	Josh Stewart	400.00	5/28 🚀 [sic]
06/04/2021	Bruce Allen	400.00	5/28:venmo_dollar:
06/04/2021	Bruce Huckfeldt	250.00	5/28 XFC
06/04/2021	Chris Moore	250.00	5/28 XFC.
06/05/2021	Rob Hinds	250.00	5/28
Total		<u>\$ 2,550.00</u>	

We were able to match the payment transaction shown in **Table 3** to the Excel spreadsheet emailed to the event promoter using payee name, the amount paid, and event date. Of the \$4,325.00 payments issued to Ms. Chamberlain, \$3,775.00 were owed to event officials. **Table 3** identifies the amount paid electronically. During our interview with Ms. Chamberlain, she stated that some officials were also paid in cash. Ms. Chamberlain also stated that every event official was paid.

Additionally, the Excel spreadsheet provided to the XFC promoter included a tab labeled “IAC Needs.” This tab identifies specific items which are needed for the event, when the need must be met (*due date*), and some comments. The due date listed for several items is inconsistent with Iowa law. For example, the license fee is due no later than seven days before the event; however, the spreadsheet indicates that the license fee could be paid “at event.” The Excel spreadsheet also stated that bloodwork is due “after the event.” IAC policies stated the blood work must be submitted through a secure method of transmittal prior to the event. Additionally, the bloodwork is due to the physician no later than at the time of the physical test, pursuant to Iowa Administrative Code rule 875-169.5(16). In addition, Iowa Administrative Code rule 875-177.5(13) states the following:

“On the day of the event, at the time and place approved by the Commissioner, the ringside physician or physician assistant shall conduct a rigorous physical examination to determine the contestant’s fitness to participate in an MMA match. A contestant deemed not fit by the physician or physician assistant shall not participate in the event.

The post-event records we reviewed, included the bloodwork records. The IAC internal event spreadsheet also shows inconsistent data entered for this event. The event spreadsheet shows the payment of \$450.00 was received on April 15, 2021, there is a check number listed that does not correspond to any payment received by IAC. In addition, the spreadsheet shows an athletic tax was received on June 12, 2021 in the amount of \$851.02; however, there is no record of a payment for this amount or a corresponding check number. These undeposited amounts are accounted for in **Table 1** and **Table 2**.

IWD Independent Contractor (Inspector) – We determined via Venmo activity that Ms. Chamberlain paid \$30.00 to an event inspector, Josh Alles, and received \$1,340.00 during 2022. The payment notes were vague; therefore, we reached out to the inspector to inquire what the payments were for that he made to Ms. Chamberlain. According to the response received from the inspector, he only said “personal.”

According to the detailed Venmo transactions list, it appears the inspector and Ms. Chamberlain were in Arizona at an Ultimate Fighting Championship (UFC) event during May 2022. Based on our discussion with Mr. Alles, he was not at a UFC event in Arizona at that time. According to Ms. Chamberlain, the payments received from the inspector were personal in nature and not related to IAC.

Gifts

As part of IWD’s internal investigation, they found Ms. Chamberlain received improper gifts from a promoter who does business with Iowa and a promoter who was interested in bringing events to Iowa. **Table 4** summarizes the gifts identified by IWD’s internal investigation, the business who the gift was from, description of the gift, value of the gift, and any comments.

Table 4

Issuer	Description of Gift	Value of Gift	Comment
Bare Knuckle Fighting Championship (BKFC)	Airfare	\$ 442.20	
	Hotel	300.00	
	Ringside access to event	-	Benefit, value not assigned
Total Warrior Combat/Promotion Company	Cash	1,000.00	
	Hotel	-	Value no available
Total		<u>\$ 1,742.20</u>	

Based on IWD’s investigative findings, Ms. Chamberlain received these gifts in violation of Iowa gift laws. Gifts from each of these entities are discussed in more detail below.

Bare Knuckle Fighting Championship – On April 13, 2022, Ms. Chamberlain received an email from an appointed official of a different state asking Ms. Chamberlain if Iowa has considered sanctioning bare-knuckle fighting. In addition, the official stated Bare Knuckle Fighting Championship (BKFC) was interested in coming to Iowa and wanted to know if the topic has come up before. The email also extended an invite in the event Ms. Chamberlain was interested in attending a BKFC event.

According to Ms. Chamberlain’s email response, she was interested in attending but would be in Arizona at a UFC event on May 7, 2022, and she would like to see bare-knuckle fighting come to Iowa but “needs help with legislation.” The official responded confirming an ability to assist with legislation and the official was going to check BKFC’s schedule and get back to Ms. Chamberlain. There were subsequent emails exchanged which included phone numbers.

During IWD’s internal investigation, they discovered an airfare ticket was purchased by BKFC for Ms. Chamberlain to travel on October 14, 2022 from Des Moines, Iowa to Denver, Colorado in the amount of \$442.20. In addition, they also identified Ms. Chamberlain received a hotel room valued at \$300, and received ringside access to an athletic event which members of the public typically do not have access to or would have to otherwise pay for. According to Ms. Chamberlain, she told IWD officials this trip was for a job interview. Ms. Chamberlain did request vacation time off on October 14, 2022.

We reached out to a representative of BKFC, Katie Shook, on June 19, 2023 to inquire if the travel was related to the IAC or whether Ms. Chamberlain’s trip was personal in nature. As of October 10, 2023 we have not received a response.

Total Warrior Combat/Promotion Company – In addition, Ms. Chamberlain also admitted in her interview with IWD that in another instance she travelled to Michigan to be an event deputy for an athletic event and was compensated \$1,000.00 and her hotel was paid by the event promoter. We do not have additional details related to the hotel accommodations and a value could not be determined. Ms. Chamberlain’s role at the event was to issue suspensions, talk to ringside physician, collect the judge cards, and give scores to the announcer. Ms. Chamberlain did not have approval to attend this event and serve as a deputy. Ms. Chamberlain admitted to issuing an IAC suspension form during this event. This may have been a conflict of interest, pursuant to Iowa Code section 68B.2A.

Based on Ms. Chamberlain's role as an employee with IWD's Labor Service Division, she did not have the authority to issue suspensions to the athletes. As indicated above, deputies are independent contractors who enter into an annual contractual agreement with the Commissioner. The executed agreements give the deputies the authority to issue medical and disciplinary suspensions, when appropriate.

Also, the State of Iowa Employee Handbook addresses gifts and gratuities and states the following:

You shall not solicit or knowingly accept anything (including money, items of monetary value, any other benefit, or any promise of the previously mentioned items) given with an understanding or arrangement it will influence the public service rendered by you or a decision by you or by your agency. As a general rule, you and your immediate family members may not receive gifts (including food or beverages) which State of Iowa Employee Handbook 19 are valued at more than \$3.00 from any person, lobbyist, or entity doing business with or lobbying your employing agency. You are prohibited from accepting honoraria or loans from lobbyists. If anyone attempts to influence you through a gift or gratuity, you must report it to your supervisor immediately. For further clarification or exceptions, see Iowa Code chapter 68B.

Based on available supporting documentation, Ms. Chamberlain did sign an acknowledgement of receipt of Iowa's gift law policy when she became employed by the Labor Services Division in 2007 and acknowledged signing the document upon IWD officials' inquiry in November 2022.

During our interview with Ms. Chamberlain, she stated that the Commissioner and "everyone else in the office accepts insane amounts of gifts." She stated that the Commissioner accepted a plane ride that he had to sign a waiver for, which IAC's attorney reviewed. Ms. Chamberlain did not provide any additional information or names of individuals who may have received gifts.

We asked IWD and DIAL officials if they were made aware or had any knowledge of any IAC employee, independent contractor, or other individual associated with IAC had received any gift, they were not aware of any other instances.

We reached out to retired Commissioner Rod Roberts via telephone to inquire about gift receipts within IAC. He stated that there were no other instances in which an employee, independent contractor, or other individual associated with IAC accepted gifts. With respect to the plane ride allegation, the Commissioner recalled a "Bosslift" initiative, which was in support of the Iowa Army National Guard employees. The "Bosslift" is an initiative of the Employer Support of the Guard and Reserve (ESGR) program that serves as a thank you to the employers for supporting what their employees are doing for the state of Iowa. The Commissioner received no gifts or benefits from engaging in the "Bosslift" initiative.

OTHER ADMINISTRATIVE ISSUES

The following additional issues were discovered by IWD through its internal investigation and were determined by IWD to be violations of the 2022 IWD Work Rules.

Misrepresentation of job role and authority – As mentioned above, Ms. Chamberlain attended IAC sanctioned athletic events without the express permission, or knowledge, of the Commissioner. As an example, on November 12, 2022, Ms. Chamberlain attended an event in Jefferson, Iowa and presented a championship belt on behalf of the World Boxing Association. Event promoter Monte Cox told IWD officials by having Chamberlain present the belt, he was able to save at minimum \$800.00, because they did not have to pay for an official to be at the event. Ms. Chamberlain confirmed with IWD officials she did not seek permission from the Commissioner to attend the event.

On multiple occasions, Ms. Chamberlain is listed as "Executive Director" on athletic event documentation. During our interview, Ms. Chamberlain stated during our interview, the "Executive

Director” field pre-populates her information from “MMA Reg.” Ms. Chamberlain also took on the role of deputy at Iowa athletic events.

On another occasion, Ms. Chamberlain identified herself as the “Director” of IAC and “Regional 3 Director” of the Association of Boxing Commissions and Combative Sports in a letter. A copy of the letter is included in **Appendix 2**. According to Ms. Chamberlain, the Commissioner approved her role as Regional Director of the ABC. On July 28, 2023, we reached out to a representative with the ABC to inquire about the “Regional 3 Director.” Based on the Response received, it confirmed Ms. Chamberlain was the ABC Region 3 Director.

On multiple occasions, Ms. Chamberlain participated in events as a “deputy,” even though she was not eligible to serve in this role. During our discussion with the Commissioner, he confirmed Ms. Chamberlain approved all event officials as well. **Appendix 3** is an event officials report, showing for this event Ms. Chamberlain assigned to the deputy role.

Ms. Chamberlain had express permission from the Commissioner to attend certain events, including the July 2022 World Boxing Association (WBA) Conference in Niagara Falls, NY as well as to attend several contractor trainings and events for observation purposes to ensure that Iowa rules are being followed. We spoke to the Commissioner, who stated that permission to attend an event required three things: (1) a request, (2) rationale (or reasoning) for the request, and (3) approval by the Commissioner.

Ms. Chamberlain did not submit travel expenses for reimbursement of necessary job-related travel expenses, which she would have been eligible to receive for approved travel in accordance with Iowa Code section 91.8. Ms. Chamberlain stated, during our June 27, 2023 interview, that because she had so much work on her plate, she was not “allowed” to complete and submit her travel expense report.

In 2022, Ms. Chamberlain told IWD officials that on occasion she would take “time back” as a result of attending athletic events. In our discussion with according to the Commissioner, it was established that an IAC employee is eligible to take “time back” within the pay week if the employee attends an approved event as part of their job duties. Most athletic events take place on Friday or Saturday nights, so if an IAC employee has permission to attend one of these events, their day schedule could be adjusted during the pay week, so the employee’s work week does not exceed 40 hours.

For all events that Ms. Chamberlain attended but did not have express permission from the Commissioner to attend, she would not have been eligible for any “time back.”

Outsourcing assigned job duties to IWD Contractor – IWD officials also found Ms. Chamberlain would frequently utilize the services of an IWD event deputy at the time, Chad Bergmeier, in a capacity which exceeded his contractual obligations. The deputy would finalize event details, assign the officials to work the events, submit results, etc. These duties are not the responsibility of a deputy but were the responsibility of Ms. Chamberlain as Program Planner.

When IWD officials asked Ms. Chamberlain why the deputy was doing some of her tasks, she responded that she was “overloaded with work” and because “he wanted to help.”

Communication through improper channels – Ms. Chamberlain frequently used text messages to handle IAC business matters, such as communicating with promoters and accepting documents. In addition, Ms. Chamberlain used her personal social media accounts to communicate with promoters. According to Ms. Chamberlain, when IWD officials inquired about the contact, “they reach out to her.” IWD officials asked if she would redirect the promoters to IAC’s official means of communication, Ms. Chamberlain stated that “it depended on what it was for” and she stated she would provide them with her work number. When asked by IWD officials if Ms. Chamberlain would provide copies of those communications she said yes. We asked IWD officials if those IAC event specific communications were ever turned over, IWD officials stated they were not.

Also, Ms. Chamberlain used her email address for communications which were personal in nature related to her children's school, bank transactions, or bills. She also had login information saved on her State of Iowa work equipment including Bath and Body Works, Walmart, PayPal, Roblox, and Des Moines Public Schools. We were unable to determine if additional improprieties were present during the period reviewed because adequate records and complete information were not available.

Payments to an event promoter – We determined on June 22, 2021, Ms. Chamberlain issued two payments via Venmo to event promoter, Monte Cox, with Extreme Maximus totaling \$700.00. As a result, we contacted Mr. Cox, who stated Ms. Chamberlain was paying back the \$700.00 she borrowed from him at an earlier event. According to Ms. Chamberlain, she asked Mr. Cox if he could give her \$700.00 while at an Extreme Maximus athletic event so she could pay a physician working at an unrelated event. Mr. Cox gave her the \$700.00 and stated during our call that several weeks passed before he reached out to Ms. Chamberlain to inquire about the repayment, subsequent to his inquiry, she paid back the \$700.00 through her personal Venmo account. During our interview with Ms. Chamberlain, she provides a similar recollection of the events. She added that the physician did not have Venmo, which is why she needed cash. As indicated above, promoters are responsible for paying event officials (physicians, judges, timekeepers, and referees). It is unclear why Ms. Chamberlain paid these funds out of her personal financial account.

Recommended Control Procedures

As part of our investigation, we reviewed the event approval processes used by the IAC. An important aspect of internal control is to establish procedures which provide accountability for assets susceptible to loss from error and irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be identified within a reasonable time during the course of normal operations.

In reviewing its own processes and procedures, IWD identified several of its own recommendations for IAC, including, creating detailed policies and procedures for the event contractors, such as, hiring, updating forms, and ensuring contractors maintain in good standing. IWD officials also recommended IAC set policies and procedures related to travel, including pre-approvals and limits to travel and create detailed policies and procedures addressing all aspects of the athletic process, including, electronic forms, acceptance of electronic payments, fee and tax compliance.

In addition to IWD recommendations and based on our findings and observations, the following additional recommendations are made to strengthen IAC's internal controls.

- A. Segregation of Duties – An important aspect of internal control is the segregation of duties among individuals to prevent one person from handling duties which are incompatible. The former Program Planner had control over each of the following areas:
 1. Athletic Events – application intake, approving/denying events, putting events on the IAC's calendar, reviewing documents for completeness, reviewing event match-ups (bouts), scheduling inspectors and deputies for the events, getting officials (referees, judges, timekeepers, and match physician) for the events, issuing athletic licenses, and interacting with promoters;
 2. Receipts – opening mail, collecting/holding checks, tracking payments received, updating the events spreadsheet, and forwarding checks to the appropriate individual for processing;
 3. Disbursements – making certain purchases of equipment, supplies, and apparel items.

Recommendation – While we realize segregation of duties is difficult with a limited number of staff, the duties within each function listed above should be segregated accordingly between IAC staff members and not handled solely by one employee. In addition, it is recommended supervisory staff, or lead workers review license approvals, perform reconciliations, and examine supporting documentation for the events on a periodic basis to minimize the chance of improper event approval.

- B. Collection of Unpaid Fees and Taxes – There is a total of \$17,206.29 of license fees and athletic tax which were not deposited/collected. During discussions with IAC representatives, it was determined that there could be payments made that were not on the payment log.

Having an outstanding debt with IAC or IDR will result in athletic event requests being denied until the debt is fulfilled. In accordance with Iowa Code section 90A.9(2) states that if a promoter fails to submit a timely event report or if a submitted report is unsatisfactory to the Commissioner, the promoter's books and records may be subject to examination, subpoena, and witness testimony under oath for the purpose of determining gross receipts for any match to determine the tax due. As a result of an examination the Commissioner may fix and determine the tax and may also assess the promoters for the cost of conducting the examination within reason. Default on the payment of tax or the reasonable examination costs shall forfeit to the State \$5,000, which may be recovered by the Attorney General by way of the bond, as required to be paid under Iowa Code section 90A.2(3).

Recommendation – Although promoters are required to submit one check to the IAC for athletic tax and a separate check to IDR, historically, both payments have been sent to IAC and then the sales tax check was forwarded to IDR. However, based on our procedures, it appears information sharing between the IWD and IDR has been limited.

IDR was able to provide our Office with limited information regarding sales tax payments made by promoters as part of this investigation. It is recommended DIAL and IDR consider engaging in information sharing, specific to athletic events and promoter payments to ensure proper receipt of payment, event approvals, and tax compliance or audits needs are handled appropriately.

In addition, DIAL officials consult with legal counsel to determine how the agency will resolve any undeposited and/uncollected funds.

- C. State Issued Property – During our review, the Apple AirPods Pro assigned to Ms. Chamberlain were missing and subsequently have not been recovered. The AirPods were purchased by IAC for \$174.99 in June 2022.

Recommendation – It is recommended that DIAL officials implement procedures to ensure IAC purchases are proper, necessary, and reasonable in cost to meet IAC business needs only.

Exhibit

Report on Special Investigation of the
Iowa Athletic Commission

XFC 44 Iowa Event Expenses
For the Period January 1, 2020 through December 31, 2022

XFC May 28th - Wells Fargo Arena					
Role	Who	XFC Expense	IAC Expense	Hotel	Comments
Referee 1	Bruce Allen	\$400.00		yes	
Referee 2	Rob Hinds	\$275.00		yes	2 nights - 1 night taken out of Ref pay - \$125 taken out from \$400 payment for one night hotel room
Referee 3	Josh Stewart	\$400.00		yes	
Judge 1	Bruce Huckfeldt	\$250.00		no	
Judge 2	Joe Walsh	\$250.00		no	
Judge 3	Chris Moore	\$250.00		no	
Ringside Physician	Dr. Toby Jacks	\$800.00			
Physician helper	Wife	\$0.00	\$0.00		
Performing Weigh-ins	Bruce Allen	\$0.00	\$150.00	no	
Athletic Commission	IAC	\$550.00		no	\$450 application fee + \$100 weigh-in fee
Timekeeper	Ben Brightman	\$150.00		no	
Cutman 1	Craig Nasello	\$500.00		yes	Bringing supplies and will wrap/tape fighters
Cutman 2	Jeremy Johnson	\$500.00		yes	Bringing supplies and will wrap/tape fighters
IAC Deputy Commissioner	Dawn Chamberlain	\$0.00	\$0.00		
IAC Deputy	Ben Wilson	\$0.00	\$175.00	no	plus mileage
IAC Inspector	Cole Jennett	\$0.00	\$100.00	no	plus mileage
IAC Inspector	George Chamberlain	\$0.00	\$100.00	no	plus mileage
IAC Inspector	Justin Faiferlick	\$0.00	\$100.00	no	Will probably remove
Ring Cleaner					Myron - fighter
Ring Cleaner					Myron - fighter
Ring Cleaner					Myron - fighter
	Total	\$4,325.00	\$625.00		

Note: Spreadsheet provided by Ms. Chamberlain

Report on Special Investigation of the
Iowa Athletic Commission

Staff

This review was performed by:

Melissa J. Finestead, CFE, Director
Dena M. Tadros, CFE, Staff Auditor

A handwritten signature in black ink, appearing to read 'James S. Cunningham', with a long horizontal flourish extending to the right.

James S. Cunningham, CPA
Deputy Auditor of State

Appendices

Appendix 1

Report on Special Investigation
of the
Iowa Athletic Commission

Copy of Promoter Check to Dawn Chamberlain

CASH ONLY IF ALL SECURITY FEATURES LISTED ON BACK INDICATE NO TAMPERING OR COPYING

Xtreme Fighting Championships, Inc.
433 Calhoun Ave
Destin, FL 32541
850-598-8828

BANK OF AMERICA, NA
1014 Hwy 98 E
Destin, FL 32541
83-27/031

1093

05/20/2021

PAY TO THE ORDER OF Dawn Chamberlain \$ 4,325.00

Four thousand three hundred twenty-five and 00/100 DOLLARS

Dawn Chamberlain

MEMO

Liffany H. Bateman

PROTECTED AGAINST FRAUD

Details on Back

Secure Check Lock™ Secure Check

[Redacted]

FOR MOBILE DEPOSIT ONLY

FOR MOBILE DEPOSIT ONLY

[Signature]

[Redacted]

Report on Special Investigation
of the
Iowa Athletic Commission

Copy of Dawn Chamberlain Letter

Kim Reynolds, Governor
Adam Gregg, Lt. Governor
Rod A. Roberts, Labor Commissioner



April 5, 2022

To Whom It May Concern:

My name is Dawn Chamberlain. I am the Director of the Iowa Athletic Commission and Regional 3 Director for the Association of Boxing Commissions & Combative Sports (ABC).

Andres Tromp was appointed by the ABC President Mike Mazzulli to serve as the ABC Representative in Aruba in 2017. Andres still serves in this capacity and is currently the sole representative in Aruba.

All communications regarding Mixed Martial Arts (MMA) and Boxing in Aruba should go through Mr. Tromp.

Mr. Tromp is invited to attend the 34th Annual ABC Conference – July 22-27, 2022, in New York.

If you should have any questions, I can be reached at 515-745-2632 or dawn.chamberlain@iwd.iowa.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dawn Chamberlain".

Dawn Chamberlain
Iowa Athletic Commission

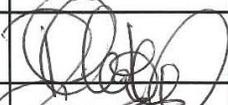
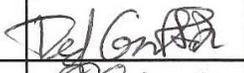
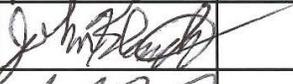
Appendix 3

Report on Special Investigation
of the
Iowa Athletic Commission

Copy of Event Approved Official Report

**Iowa Athletic Commission
Approved Officials Report**

I have reviewed the fight card for the event –15th Round Promotion in Sioux City, Iowa on July 16, 2022 I am capable of serving impartially in my official capacity for all the events listed. I have no conflict of interest for any contest. Any contest from which I should recuse myself is disclosed below.

Official	Name	Signature	None	Disclosure	Disclosure
Deputy	Dawn Chamberlain				
Inspector	George Chamberlain		X		
Inspector	Tad Griffith		X		
Inspector	Karter Grubb		X		
Inspector					
Referee	Mark Nelson		X		
Referee					
Judge	Jeff Sinnett				
Judge	John Klemiato				
Judge	Mike Conteras				
Judge					
Timekeeper	LAWRENCE SYKES				
Ringside Physician	Kelly Bean				
List Any Extra Disclosures					
	Name	Signature		Disclosure	Disclosure