

Disclosure Games®

MasTec Kept Significant Facts from Investors During an SEC Probe

Disclosure Insight® reports provide commentary and analysis on public company interactions with investors and with the SEC. They are heavily reliant on our expertise in using the Freedom of Information Act.

Summary and Opinion: Put MasTec in the category of misleading management behavior. Based on documents we recently posted on MasTec, we learned a 2015-16 SEC probe was far more expansive than the company ever let on. In our opinion, the disclosure shortfalls were so severe that they put a blemish on management credibility.

We learned the severity of the MasTec SEC probe from the 298 pages of analytically-rich documents posted with our [SEC Investigation Update on MasTec](#), published 18-Oct-2017. Here's some of the things these documents tell us:

- Though not first disclosed until Aug-2015, this probe actually got started in May-2015. This is consistent with a report we published on 11-May-2015, [Six Reasons the SEC is Likely Investigating MasTec](#).
- As we'd suspected at the time, we now know it involved percentage-of-completion accounting.
- Multiple rounds of subpoenas were sent to the company; BDO USA, LLC; and, Ernst & Young LP.
- While company disclosures suggested the probe was focused on 2014, the documents we obtained show it eventually spanned from 2011 well into 2016 (July).

MasTec left all of the above out of their related disclosures. Surely investors would have considered most all of the items we listed as material to their analysis of the company at the time.

Purposely keeping information from investors on the scale we noted above is indicative of a company willfully playing Disclosure Games. If they got away with it once, there's no reason to think they won't again.

Were it our capital at risk, even today with the SEC probe behind it, we'd take a pass on MasTec.

- Probes Reporter®



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“Disclosure Games”® is a term we use to highlight those public companies engaging in disclosure practices that in our opinion may be misleading, confusing, evasive, or otherwise lacking the transparency needed for investors to make well-informed investment decisions regarding a potentially material exposure.

If we alert you to existence of an undisclosed SEC probe, that means we filed a Freedom of Information Act (FOIA) request with the SEC on the company in question and have a response, in black-and-white, on government letterhead that supports our statement. The only thing we know at this time is that the probe(s) somehow pertains to the conduct, transactions, and/or disclosures of the companies referenced.

New SEC investigative activity could theoretically begin or end after the date covered by the latest information in this report which would not be reflected here. The SEC did not disclose the details on investigations referenced herein. All we know is that they somehow pertain to the conduct, transactions, and/or disclosures of the companies referenced above. Companies with undisclosed SEC investigations are maintained on our Watch List of companies with undisclosed SEC probes.

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