





Federal Election Commission
Office of the Inspector General

MEMORANDUM

TO: The Commission
Lisa Stevenson
Acting General Counsel

THROUGH: Christopher Skinner
Inspector General 

FROM: Carla Smith 
Senior Counsel

SUBJECT: OIG Review of Commission Directive 06, Handling of Internally Generated Matters

REF: FEC Directive 06, Handling of Internally Generated Matters

DATE October 5, 2022

Summary. This memorandum transmits the results of the Office of Inspector General's (OIG) review of Federal Election Commission (FEC) Directive 06. This review was selected based on activity the OIG receives from its hotline. Specifically, the OIG often receives hotline complaints that fall outside of its authority and at times allege campaign finance violations. OIG review of FEC policy (i.e., Directive 06) identified ambiguity concerning the referral of such matters from the OIG to the Office of General Counsel (OGC) and, further, that Directive 06 has not been updated since 1978 despite significant statutory amendments. Accordingly, the OIG recommends that the Commission review and update Directive 06, as appropriate, to comport with current law and policy.

Authority. Section 4 of the Inspector General Act of 1978, as amended (IG Act),¹ provides in pertinent part, that each Inspector General, with respect to the establishment within which his Office is established:

¹ See Inspector General Act of 1978 §4. *Duties and responsibilities; report of criminal violations to Attorney General.*

(3) to recommend policies for, and to conduct, supervise, or coordinate other activities carried out or financed by such establishment for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations;

(4) to recommend policies for, and to conduct, supervise, or coordinate relationships between such establishment and other Federal agencies, State and local governmental agencies, and nongovernmental entities with respect to (A) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by such establishment, or (B) the identification and prosecution of participants in such fraud or abuse[.]

Background. The OIG hotline provides a means for FEC employees, FEC contractors, and the public to communicate directly and confidentially with the OIG regarding allegations of fraud, waste, abuse, mismanagement, and other misconduct. Complainants frequently submit allegations of Federal Election Campaign Act (FECA) violations via the OIG hotline. FEC Directive 06 provides a means for internal and external referrals of FECA complaints, but it is silent regarding whether referrals by the OIG are internal or external.

Observations. Our review of Directive 06 identified the following observations:

1. *Directive 06 references outdated FECA citations.*

The OIG reviewed Directive 06 and found that it has not been revised since it was issued on April 21, 1978. As a result, Directive 06 does not reference the current FECA citations. Instead, it references the Commission's authority under prior code 2 U.S.C. § 437(g) which was later reclassified as 52 U.S.C. § 30109 (a). Although outdated, Directive 06 is still in compliance with current FECA requirements as both 2 U.S.C. § 437(g) and 52 U.S.C. § 30109 contain substantially the same provisions.

2. *Directive 06 does not identify the OIG as an operating division within the FEC and does not address OIG referrals to OGC.*

Directive 06 provides the current procedures for referrals for each Operating Division within the FEC but is silent regarding the OIG.² Specifically, Directive 06 does not identify the OIG as a separate Operating Division within the FEC and the Inspector General (IG) is not identified as a division leader. The OIG and IG's lack of inclusion in Directive 06 is likely because the IG Act established the FEC OIG in April 1989, 11 years after Directive 06 was established.

² See Directive 06 Section II(A).

Conclusion. Based on the foregoing observations, we conclude that Directive 06 is outdated and warrants an update in light of the FECA and IG Act statutory amendments that postdate it.

Recommendations. The OIG recognizes that Directive 06 authorizes the Commission to determine its own procedures and set clear standards for generating internal compliance actions. As such, the OIG recommends the following for the Commission to consider:

- 1) Revise Directive 06 to include current FECA citations and guidance related to OIG referrals of campaign finance related matters to OGC.

If I can provide you with any further information, please do not hesitate to contact the OIG at (202) 694-1015.

cc: Alec Palmer, Staff Director

