



SEMIANNUAL REPORT TO CONGRESS  
APRIL 1, 2015 – SEPTEMBER 30, 2015

NOVEMBER 2015



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

OFFICE OF THE CHAIR

November 20, 2015

The Honorable Paul D. Ryan  
Speaker of the House of Representatives  
Washington, D.C. 20515

Dear Mr. Speaker:

Pursuant to the Inspector General Act of 1978, as amended, the Federal Election Commission submits the Office of Inspector General's *Semiannual Report to Congress*. The report summarizes the activity of the FEC Office of Inspector General ("OIG") from April 1, 2015 through September 30, 2015.

During this reporting period, the FEC's OIG report entitled *Review of Outstanding Recommendations as of August 2015* was released in September 2015. We were pleased to note the reduction in the number of outstanding recommendations and, in particular, that the Office of the Chief Financial Officer implemented all recommendations from the Inspection of the FEC's Travel and Purchase Card Programs within one year from issuance of the report. The response of FEC management to the issues raised in the report appears in the report.

The Commission appreciates and shares the Inspector General's commitment to sound financial and management practices, and looks forward to continuing its cooperative working relationship as management takes appropriate measures to improve operations of the Commission. Copies of the *Semiannual Report to Congress* are being provided to the Chairmen and Ranking Members of the FEC's oversight committees.

On behalf of the Commission,

A handwritten signature in blue ink that reads "Ann M. Ravel". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Ann M. Ravel  
Chair

MANAGEMENT REPORT ON  
INSPECTOR GENERAL ISSUED REPORTS  
WITH QUESTIONED COSTS  
FOR THE SIX-MONTH PERIOD ENDING SEPTEMBER 30, 2015

	<u>Number of Reports</u>	<u>Questioned Costs</u>	<u>Unsupported Costs</u>
A. Reports for which no management decision has been made by commencement of the reporting period	0	0	[0]
B. Reports issued during the reporting period	0	0	[0]
Subtotals (A + B)	0	0	[0]
C. Reports for which a management decision was made during the reporting period	0	0	[0]
(i) Dollar value of disallowed costs	0	0	[0]
(ii) Dollar value of costs not disallowed	0	0	[0]
D. Reports for which no management decision has been made by the end of the reporting period	0	0	[0]
E. Reports for which no management decision was made within six months of issuance	0	0	[0]

MANAGEMENT REPORT ON  
INSPECTOR GENERAL ISSUED REPORTS WITH  
RECOMMENDATIONS TO PUT FUNDS TO BETTER USE  
FOR THE SIX-MONTH PERIOD ENDING SEPTEMBER 30, 2015

	<u>Number of Reports</u>	<u>Funds to be Put To Better Use</u>
A. Reports for which no management decision has been made by the commencement of the reporting period	0	0
B. Reports issued during the reporting period	0	0
C. Reports for which a management decision was made during the reporting period	0	0
(i) Dollar value of recommendations that were agreed to by management	0	0
- Based on proposed management action	0	0
- Based on proposed legislative action	0	0
(ii) Dollar value of recommendations that were not agreed to by management	0	0
D. Reports for which no management decision has been made by the end of the reporting period	0	0
E. Reports for which no management decision was made within six months of issuance	0	0



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Office of the Inspector General

## A MESSAGE FROM THE INSPECTOR GENERAL

The Office of Inspector General (OIG) had a productive six months. Not only did the office continue to move forward in conducting various work products, but the *OIG Fiscal Year 2016 Work Plan* was created and completed along with the *Strategic Plan for Fiscal Years 2016-2020*. Both of these documents required a great deal of research and time by the OIG staff to ensure our work as we move forward is well-thought out and covers the appropriate areas of the Federal Election Commission, basing these decisions on our risk assessment process and interactions with FEC stakeholders.

We continued to put an emphasis on working with management to ensure outstanding recommendations from audits/inspections reach closure. The OIG provides a report to the Commission twice a year informing them of the status of each audit and the recommendations contained within them and express our concern when a lack of progress has occurred for an extended period of time. We have also been working with management to keep them informed of their responsibilities under the DATA Act since the Act contains new requirements for federal departments and agencies.

I would once again like to thank the staff of the OIG for their commitment to the principles of the OIG and for all of the hard work they display in each task they accomplish. I am really proud to be associated with such a dedicated group of people who not only strive to make the OIG and the FEC function more effectively, but the time they give to the Inspector General community as a whole to enable it to achieve its mission in improving government.

A handwritten signature in blue ink that reads "Lynne A. McFarland". The signature is fluid and cursive.

Lynne A. McFarland  
Inspector General  
Federal Election Commission

October 29, 2015

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## EXECUTIVE SUMMARY

The *Inspector General Act of 1978*, as amended (*IG Act*), states that the Inspector General (IG) is responsible for: conducting audits and investigations; recommending policies and procedures that promote economy, efficiency, and effectiveness of agency resources and programs; and endeavoring to prevent fraud, waste, abuse, and mismanagement. The *IG Act* also requires the IG to keep the Commission and Congress fully and currently informed about problems and deficiencies in the Commission's operations and the need for corrective action.

This semiannual report includes the major accomplishments of the Federal Election Commission (FEC) Office of Inspector General (OIG), as well as relevant information regarding additional OIG activities. The executive summary highlights the most significant activities of the OIG. Additional details pertaining to each activity (e.g., audits, hotline, and investigations) can be found in subsequent sections of this report. The diligent work, outstanding efforts, and many contributions of our entire IG staff make the accomplishments of the OIG possible.

The ***Audit of the FEC's Fiscal Year 2015 Financial Statements (OIG-15-01)*** commenced during this reporting period. On April 16, 2015, Leon Snead & Company (LSC), the independent public accountants responsible for performing the audit, provided the engagement letter detailing the roles and responsibilities of LSC and agency management regarding the audit process. The entrance conference was subsequently held on April 29, 2015. LSC started the audit by conducting the *Information Technology (IT) Internal Control, Audit Planning, Risk Assessment, and Compliance Testing Phase*. LSC will start final testing in October, and the report is scheduled to be released November 16, 2015.

The OIG began work on the ***Audit of the FEC's Flexiplace/Telework Programs (OIG-15-03)*** during

the prior reporting period. The primary objectives of the audit are to 1) determine whether the agency's telework related programs are being administered by the agency in accordance with Federal law, regulations, Office of Personnel Management (OPM) guidance, and FEC policies and procedures, and 2) assess whether the telework program has been implemented equitably and fairly within the spirit of Federal guidance. The audit fieldwork has been completed and the notices of findings and recommendations (NFRs) are being finalized. For detailed information pertaining to the 2015 financial statement audit or the audit of the flexiplace/telework programs, see the section titled **OIG Audit Activity** (starting on page 3).

The OIG issued the ***OIG's Review of Outstanding Recommendations as of August 2015 (OIG-15-05)***. On a semiannual basis, the OIG provides the Commission with a report outlining the status of the outstanding recommendations. We reviewed seven audits and inspections that contained a combined total of eighty-three outstanding recommendations. The OIG was able to close four recommendations from three of the seven open audits and inspections, resulting in a collective total of seventy-nine outstanding recommendations remaining. A noteworthy accomplishment, the Office of the Chief Financial Officer (OCFO), implemented all recommendations from the *Inspection of the FEC's Travel and Purchase Card Programs* report in less than a year from the report's issuance. For additional information, see the section titled **OIG Audit Follow-up Activity** (starting on page 4).

The OIG is conducting a study to determine the root cause of morale issues among FEC employees. The annual Federal Employee Viewpoint Survey (FEVS) reflects significant morale problems within the FEC, with the FEC ranking 29th out of 30 small agencies. For detailed information pertaining to the Employee

Morale Study see the section titled **OIG Inspections and Special Projects** (starting on page 5).

During this semiannual reporting period, three new hotline complaints were opened and two hotline complaints were closed, including one that was merged into an investigation. The OIG has four open hotline complaints, including three that were opened prior to the beginning of this reporting period. The closed hotline complaint included allegations of a refusal by the FEC to provide public records, which was resolved.

Five investigations were open, including four from the previous reporting period and one investigation opened during this one. One investigation was closed. For detailed information pertaining to hotline complaints and investigations, see the sections titled **OIG Hotline Information** (starting on page 6) or **OIG Investigative Information** (starting on page 8).





# OIG AUDIT ACTIVITY

## Audit of the FEC's Fiscal Year 2015 Financial Statements

Assignment Number: OIG-15-01

Status: In Progress

On April 16, 2015 LSC, the independent public accountants responsible for performing the audit, provided the engagement letter detailing the roles and responsibilities of LSC and agency management regarding the audit process. The entrance conference was subsequently held on April 29, 2015. LSC started the audit by conducting the *IT Internal Control, Audit Planning, Risk Assessment, and Compliance Testing Phase*, which is required by the FEC OIG's contract, to conduct additional testing on IT controls. The FEC is exempt from the *Federal Information Systems Management Act* (FISMA) and an annual FISMA audit is not required to be performed. This phase of the audit began on May 4, 2015 and consisted of LSC conducting follow-up on all outstanding recommendations from the prior year's audit.

Interim audit testing of financial reporting controls began on July 13, 2015. During this phase of the audit, LSC held a meeting with the Chair and Vice Chair as required by the *Statements on Auditing Standards 114: The Auditor's Communication with Those Charged with Governance*. The meeting was conducted to communicate the status of the audit process with governance, the approach and scope of the annual audit, the status of prior year findings, and notify governance of any new issues identified for the current year's audit. Notice of Findings and Recommendations were sent to management outlining the issues that remain open, giving management the opportunity to provide responses and any new status updates.

LSC will start final testing in October; the audit is scheduled to be released by November 16, 2015.

## Audit of the FEC's Flexiplace/Telework Programs

Assignment Number: OIG-15-03

Status: In Progress

The Audit of the FEC's Flexiplace/Telework Programs commenced during the prior reporting period. The primary objectives of the audit are to 1) determine whether the agency's telework related programs are being administered by the agency in accordance with Federal law, regulations, OPM guidance, and FEC policies and procedures; and 2) assess whether the telework program has been implemented equitably and fairly within the spirit of Federal guidance.

The audit fieldwork has been completed. The scope of the audit included detailed testing of a sample of FEC employees during a rolling twelve month pay cycle from March 2014 to March 2015. The detailed testing included the following:

- Ensure required telework documentation was properly completed and approved prior to employee starting telework;
- Determine if employees' actual telework time and attendance records are consistent and in line with telework agreements, as well as in compliance with the applicable telework policy; and
- Follow-up on employees that have been identified as potentially using excessive telework based on the policies in place at the time, and assess for reasonableness and the appearance of preferential treatment.

We expect to release the audit report during the next reporting period.

## OIG AUDIT FOLLOW-UP ACTIVITY

### OIG's Review of Outstanding Recommendations as of August 2015

Assignment Number: OIG-15-05

Status: Released September 2015

<http://www.fec.gov/fecig/documents/ReviewofOutstandingRecommendationsasofAugust2015-09-30-15.pdf>

The OIG semiannually provides the Commission with the status of outstanding audit and inspection recommendations detailing the follow-up work conducted by the OIG. Since the last follow-up report, released in March 2015, the OIG added the *Inspection of the FEC's Travel and Purchase Card Programs* report to the audit follow-up process, as the recommendations have been outstanding for six months or more.

For this reporting period, we reviewed the following seven audits and inspections that contained a combined total of eighty-three outstanding recommendations:

- *Audit of the Commission's Property Management Controls* (issued 03/2010);
- *2010 Follow-up Audit of Privacy and Data Protection* (issued 03/2011);
- *2010 Follow-up Audit of Procurement and Contract Management* (issued 06/2011);
- *Inspection of the FEC's Disaster Recovery Plan and Continuity of Operations Plans* (issued 01/2013);
- *Audit of the FEC's Office of Human Resources* (issued 07/2013);
- *Inspection of FEC's Compliance with FMFIA/OMB A-123* (issued 06/2014); and
- *Inspection of FEC's Travel Card and Purchase Card Programs* (issued 02/2015).

The OIG was able to close four recommendations from three of the seven open audits and inspections, resulting in a collective total of seventy-nine recommendations from OIG audits and inspections that are still outstanding.

A noteworthy accomplishment identified during the most recent audit follow-up review was that the Office of the Chief Financial Officer implemented all recommendations for the *Inspection of the FEC's Travel and Purchase Card Programs* report in less than a year from the issuance of the report. As a result, the inspection has been closed.

# OIG INSPECTIONS AND SPECIAL PROJECTS

## **Root Causes of Low Employee Morale Study**

*Assignment Number:* OIG-15-06

*Status:* In Progress

The Office of Personnel Management's annual Federal Employees Viewpoint Survey (FEVS) and Partnership for Public Service's (PPS) publication *The Best Places to Work in the Federal Government*, which is based on FEVS data, reflect significant morale problems within the FEC. The 2014 PPS rankings place the FEC twenty-ninth out of thirty small agencies. The FEC OIG has also received complaints concerning low morale among FEC staff.

To ascertain the root causes of low employee morale, the OIG has contracted out to Job Performance Systems, Inc. to conduct a study to determine and report the various sources of morale issues among FEC employees.

The planning phase of the study has begun and we anticipate receiving a final report during the next reporting period.

## OIG HOTLINE INFORMATION

The OIG hotline exists to enable FEC employees, FEC contractors, and the public to have direct and confidential contact with the OIG. All allegations or referrals of fraud, waste, abuse, mismanagement, and misconduct involving FEC employees, contractors, programs, operations, property, or funds received through any means are termed “hotline complaints” per OIG policy. Once a hotline complaint has been received, a preliminary inquiry is conducted to determine whether the hotline complaint will be closed with no further action taken, referred to management or another agency, or an investigation will be initiated.

The OIG considers many factors when evaluating whether to open an investigation based on a hotline complaint, and acknowledges that every hotline complaint received by the OIG cannot be investigated, and in many cases a complaint does not merit an investigation. OIG policy requires that hotline complaints be evaluated on certain criteria, including the merits of an allegation, the availability of evidence, and the existing priorities, commitments, and resources of the OIG. Under this policy, hotline complaints are classified as either high or low priority complaints. High priority complaints are investigated and low priority complaints are either closed with no action or referred to the appropriate official for possible further review. Often, a hotline complaint will be closed because a preliminary inquiry found the allegations to be unsubstantiated, there is a lack of information to proceed, or the issue giving rise to the allegation has been otherwise resolved. Hotline evaluation decisions are made by the Chief Investigator, with concurrence from the Deputy IG.

During this semiannual reporting period, three new hotline complaints were opened and two hotline complaints were closed, including one that was merged into an investigation. The OIG has four open hotline complaints as of the close of this reporting period. The other closed hotline complaint included

allegations of a refusal by the FEC to provide public records to a requestor, which was resolved.

The OIG frequently receives reports and allegations which are misdirected complaints that should have been routed to the Office of Complaints and Legal Administration within the Office of General Counsel (OGC), are outside the jurisdiction of the OIG or the FEC, or are facially unsubstantiated, meritless or invalid. For example, Section 437g of the *Federal Election Campaign Act of 1971*, as amended (FECA), sets forth strict requirements for reporting alleged violations of FECA, and FEC regulations direct that such complaints be filed directly by the complainant and processed through OGC; still, the OIG regularly receives complaints of alleged FECA violations, many of which are not legally compliant. Form responses with information about properly filing a complaint with OGC are sent to complainants alleging FECA violations, as the OIG cannot simply route FECA complaints to OGC.

In other cases of misdirected complaints, a response is sent to the individual referring him or her to the proper office or other agency. In some limited instances where a misdirected communication does not concern a FECA violation but falls under the purview of another FEC component or government agency, such as a candidate with a question about filing a report with the FEC, the inquiry may be redirected and sent to the appropriate office or agency directly from the OIG. Reviewing and, where appropriate, responding to these reports and allegations when aggregated can entail a significant amount of staff time and effort, despite the fact that they are not valid hotline complaints.

In order to capture and document these hotline contacts, the OIG has created a category for “hotline inquiries” that do not meet the criteria for hotline complaints. For this reporting period, the OIG received

one hotline inquiry, which was related to a campaign finance violation; the caller was referred to OGC for instructions on how to file a complaint.



## OIG INVESTIGATIVE INFORMATION

OIG investigations seek out facts related to allegations of wrongdoing. OIG investigations may address administrative, civil, and criminal violations of laws and regulations. The subject of an OIG investigation can be any agency employee, an FEC contractor, consultant, or a person or entity involved in alleged wrongdoing affecting FEC programs and operations.

As discussed in the *OIG Hotline Information* section, all hotline complaints are evaluated to determine if they warrant an investigation. If an investigation is opened, the hotline complaint is closed and merged into the investigative file. OIG investigations involve a detailed examination or inquiry into issues brought to our attention by various sources, and may include interviews of relevant witnesses and subjects, document reviews, and computer forensic examinations. At the conclusion of an OIG investigation, the OIG prepares a report that sets forth the allegations and an objective description of the facts developed during the investigation.

Five investigations were open at the end of the reporting period, including four that were open at the beginning of and one that was opened during this reporting period. One investigation was closed. The closed investigation involved a digital voice recorder (DVR) found in the Commission hearing room. The United States Postal Service OIG assisted with a forensic examination of the DVR. The owner could not be determined, and it could not be conclusively determined whether the DVR had been left accidentally or if had been intentionally placed to record a closed session of the Commission. Due to a lack of further investigative leads, the matter was closed.

The OIG conducted a Quality Assessment Review, or peer review, of the investigative operations of the National Credit Union Administration (NCUA) OIG and issued a report in September 2015. The OIG found the system of internal safeguards and management

procedures for the investigative function of the NCUA OIG in effect for the year ended May 31, 2015, to be in compliance with the quality standards established by the Council of the Inspector General on Integrity and Efficiency.

## ADDITIONAL OIG ACTIVITY

Besides conducting audits, inspections, and investigations, the OIG performs and is involved in an array of additional projects and activities. As required by the *IG Act*, all legislation related to the programs and operations of the FEC compiled by the Commission's Congressional Affairs Office is reviewed by the IG. In addition, the IG routinely reads all Commission agenda items for Commission meetings.

The IG also reviews and provides comments, when appropriate, on legislation provided by the Council of Inspectors General on Integrity and Efficiency (CIGIE) Legislative Committee. Listed below are examples of the OIG's additional activities during this reporting period:

- An OIG senior auditor volunteered to be the planning coordinator for the *Digital Accountability and Transparency Act of 2014* (DATA Act) working sub-group data standards / common methodology. The auditor participated in DATA Act working group joint meetings with Government Accountability Office to discuss the status of DATA Act standards; briefed governance group on activities of the sub-group; and chaired planning meetings for the DATA Act Sub-group.
- In preparation for the OIG annual work planning session, the IG staff solicited ideas for the FY 2016 work plan. Senior leaders and other key FEC staff members were interviewed. Based on the information received and following additional discussions, the OIG's work plan for FY 2016 was developed and released. The OIG Strategic Plan covering FY 2016 - FY 2020 was also created and published.
- The Counsel to the IG continues to provide assistance to the IG of the Federal Maritime Commission (FMC) pursuant to a memorandum of understanding between the FEC OIG

and the FMC OIG to provide legal counsel on a reimbursable basis.



## COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

Until July of this year, the IG served as Chair of the Inspector General Recommendation Panel, when she resigned after leading the Panel since its inception. The Recommendations Panel is charged with making recommendations of qualified candidates to the White House and heads of various Federal agencies to be considered for vacant IG positions.

During this reporting period, the Inspector General was appointed Vice Chair of the newly formed CIGIE Budget Committee. The IG attended various meetings and participated in multiple budget committee teleconferences. The IG is also a member of the Professional Development Committee.

The IG continues to be an active member of the Executive Council which is composed of the CIGIE Chair, Vice Chair, the immediate past Chair and Vice Chair, an at-large member, and all Committee Chairs. The Executive Council provides guidance on CIGIE initiated projects, the operating plans for each fiscal year, and the general business of CIGIE and meets monthly to discuss issues that will affect CIGIE and its members.

The IG was also a member of the working group established to redesign CIGIE monthly meetings; the IG reviewed surveys from CIGIE members to enlist ideas for meeting format changes. A report was provided to the Chair, Vice Chair and Executive Council. Additional CIGIE activity included assisting in the preparation of CIGIE Chair's testimony on the Hill concerning vacant IG positions; responding to Hill inquiries concerning vacant IG positions; and providing statistics on the number of people the IG Recommendation Panel has referred to the White House over the past six years. The IG also attended and participated in the CIGIE two day Executive Council retreat.





## OIG CONTACTS

This section documents the non-hotline communications received by the OIG from the public and other government agencies. OIG contacts run the gamut from citizens expressing their views or trying to reach the right FEC component to graduate students doing research. Contacts may be made through telephone calls, emails, faxes, U.S. mail, and personal visits to the OIG. The table below indicates the total amount of contacts received by the OIG for the past six months – April 1, 2015 through September 30, 2015. Those forwarded for action were referred to another FEC component or appropriate resource.

Total Contacts	OIG Action	No Action Necessary	Forwarded for Action
3,211	30	3,161	20

## LIST OF TRAINING, MEETINGS AND CONFERENCES

The chart listed below depicts training, meetings, programs, seminars, and/or conferences attended by the Inspector General and/or the OIG staff for the period April 1, 2015 – September 30, 2015:

### MEETINGS:

Host / Sponsor	Topic / Subject
<b>Assistant Inspector General for Investigations</b>	Quarterly Meetings
<b>Council of Counsels to the Inspectors General</b>	Monthly Meetings Small OIG Working Group Meeting
<b>Council of Inspectors General on Integrity and Efficiency (CIGIE)</b>	Monthly Meetings Monthly Executive Council Meetings Professional Development Committee Meetings IG recommendation Panel Meetings Monthly Budget Meetings
<b>Federal Election Commission</b>	Bi-monthly Directors' Meetings Finance Committee Meetings New Employee Orientations A-123 Task Force Meeting
<b>Federal Election Commission/ Office of Inspector General</b>	Congressional Hearing Bi-weekly Staff Meetings Weekly Meetings w/Staff Assistant, Deputy IG and Counsel to the IG/Chief Investigator OIG Annual Work Planning Session
<b>Institute of Internal Auditors</b>	Mid-Atlantic District Planning Meeting Monthly Officers Meetings

**TRAINING / CONFERENCES:**

Host / Sponsor	Topic / Subject
<b>African American Federal Executive Association Workshop</b>	Executive Leadership Conference
<b>American University</b>	6th Annual Key Executive leadership Conference – Leading in a Complex World
<b>Association of Certified Fraud Examiners</b>	26th Annual ACFE Global Fraud Conference Case Studies, Ethics, and More
<b>Association of Government Accountants</b>	2015 Professional Development Conference
<b>Council of the Inspectors General on Integrity and Efficiency Training Institute</b>	Lincoln Leadership Institute – A Transformational Journey from Gettysburg Financial Statement Conference
	FOIA Training
<b>Executive Women in Government</b>	Looking to the Future – 12th Annual Leadership Summit
<b>Federal Election Commission</b>	Annual Ethics Training IT Security Awareness Training COR Training Internal Controls Training – New Travel Service Provider Training GSA – Government Travel Card Training Be an Overnight Success How to Develop and Manage your Brand
<b>Management Concepts</b>	Supervising Employee Performance COR Training Meeting Federal Requirements for Accountability
<b>National Archives &amp; Records Administration</b>	Records Management Training FOIA Mediation Training
<b>Office of Government Ethics</b>	An Overview of Subpart G – Misuse of Position
<b>Office of Management &amp; Budget</b>	Treasury Data Act Workshop for OIG Enterprise Risk Management Seminar
<b>USDA Graduate School</b>	COR Essentials
<b>Wolters Kluwer – TeamMate User Forum</b>	CCH TeamMate Conference

## REPORTING REQUIREMENTS

Reporting requirements required by the *Inspector General Act of 1978*, as amended, are listed below:

Reporting requirements required by the *Inspector General Act of 1978*, as amended by the *Inspector General Act Amendments of 1988* are listed below:

IG ACT	DESCRIPTION	PAGE
Section 4(a)(2)	Review of Legislation	9
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	None
Section 5(a)(2)	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies	None
Section 5(a)(3)	Recommendations Included in Previous Reports on Which Corrective Action Has Not Been Completed (Table III)	17
Section 5(a)(4)	Matters Referred to Prosecuting Authorities	None
Section 5(a)(5)	Summary of Instances Where Information was Refused	None
Section 5(a)(7)	Summary of Significant Reports	3
Section 5(a)(8)	Questioned and Unsupported Costs (Table I)	15
Section 5(a)(9)	Recommendations that Funds be put to Better Use (Table II)	16
Section 5(a)(10)	Summary of Audit Reports issued before the start of the Reporting Period for which no Management Decision has been made	N/A
Section 5(a)(11)	Significant revised Management Decisions	N/A
Section 5(a)(12)	Management Decisions with which the Inspector General is in Disagreement	None

## TABLE I

Inspector General issued reports with questioned costs (dollar value in thousands)

	NUMBER	QUESTIONED COSTS	UNSUPPORTED COSTS
A. For which no management decision has been made by commencement of the reporting period	0	0	0
B. Which were issued during the reporting period	0	0	0
Sub-Totals (A&B)	0	0	0
C. For which a management decision was made during the reporting period	0	0	0
(i) Dollar value of disallowed costs	0	0	0
(ii) Dollar value of costs not disallowed	0	0	0
D. For which no management decision has been made by the end of the reporting period	0	0	0
E. Reports for which no management decision was made within six months of issuance	0	0	0

## TABLE II

Inspector general issued reports with recommendations that funds be put to better use

	Number	Dollar Value (In Thousands)
A. For which no management decision has been made by the commencement of the reporting period	0	0
B. Which were issued during the reporting period	0	0
C. For which a management decision was made during the reporting period	0	0
(i) dollar value of recommendations were agreed to by management	0	0
based on proposed management action	0	0
based on proposed legislative action	0	0
(ii) dollar value of recommendations that were not agreed to by management	0	0
D. For which no management decision has been made by the end of the reporting period	0	0
E. Reports for which no management decision was made within six months of issuance	0	0

## TABLE III

Summary of audit and inspection reports with corrective actions outstanding for more than six months

Report Title	Report Number	Recommendations			
		Issue Date	Number	Closed	Open
Audit of the Commission's Property Management Controls	OIG-09-02	03/10	36	35	1
2010 Follow-up Audit of Procurement and Contract Management	OIG-10-02	06/11	29	27	2
2010 Follow-up Audit of Privacy and Data Protection	OIG-10-03	03/11	45	17	28
Inspection of the Federal Election Commission's Disaster Recovery Plan and Continuity of Operations Plans	OIG-12-06	01/13	30	1 <sup>1</sup>	29
Audit of the Federal Election Commission's Office of Human Resources	OIG-12-05	07/13	26	15	11
Inspection of FEC's Compliance with FMFIA/ OMB Circular A-123	OIG-14-01	06/14	8	0	8
Inspection of the FEC's Travel Card and Purchase Card Programs	OIG-14-05	02/15	2	2	0

**Cumulative Total Of Outstanding Recommendations** **79**

<sup>1</sup> Recommendation was closed based on a duplicate recommendation in the FEC's annual financial statement audit that was reviewed and closed.

## APPENDIX A

### The Federal Election Commission

In 1975, Congress created the Federal Election Commission to administer and enforce the *Federal Election Campaign Act* (FECA). The duties of the FEC, an independent regulatory agency, are to disclose campaign finance information, enforce the provisions of the law, and oversee the public funding of Presidential elections.

The Commission consists of six members who are appointed by the President and confirmed by the Senate. Each member serves a six-year term, and two seats are subject to appointment every two years. By law, no more than three Commissioners can be members of the same political party, and at least four votes are required for any official Commission action. The Chairmanship of the Commission rotates among the members each year, with no member serving as Chairman more than once during his or her term.

Currently the FEC has a full complement of Commissioners – Ann M. Ravel, Chair; Matthew S. Petersen, Vice Chair; Commissioners Lee E. Goodman; Carolyn C. Hunter; Steven T. Walther; and Ellen L. Weintraub.

### Office of Inspector General

*The Inspector General Act of 1978*, as amended, states that the Inspector General is responsible for: 1) conducting and supervising audits and investigations relating to the FEC's programs and operations; 2) detecting and preventing fraud, waste, and abuse of agency programs and operations while providing leadership and coordination; 3) recommending policies designed to promote economy, efficiency, and effectiveness of the establishment; and 4) keeping the Commission and Congress fully and currently informed about problems and deficiencies in FEC agency programs and operations, and the need for corrective action.



# Federal Election Commission Office of Inspector General



## Fraud Hotline 202-694-1015

or toll free at 1-800-424-9530 (press 0; then dial 1015)

Fax us at 202-501-8134 or e-mail us at [oig@fec.gov](mailto:oig@fec.gov)

Visit or write to us at 999 E Street, N.W., Suite 940, Washington DC 20463

**Individuals including FEC and FEC contractor employees are encouraged to alert the OIG to fraud, waste, abuse, and mismanagement of agency programs and operations.** Individuals who contact the OIG can remain anonymous. However, persons who report allegations are encouraged to provide their contact information in the event additional questions arise as the OIG evaluates the allegations. Allegations with limited details or merit may be held in abeyance until further specific details are reported or obtained. Pursuant to the Inspector General Act of 1978, as amended, the Inspector General will not disclose the identity of an individual who provides information without the consent of that individual, unless the Inspector General determines that such disclosure is unavoidable during the course of an investigation. To learn more about the OIG, visit our Website at: <http://www.fec.gov/fecig/fecig.shtml>

**Together we can make a difference.**