



Federal Election Commission
Office *of the* Inspector General

SEMIANNUAL REPORT *to* CONGRESS

April 1, 2023 – September 30, 2023

November 2023



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

OFFICE OF THE CHAIR

November 30, 2023

The Honorable J. Michael Johnson
Speaker of the House of Representatives
H-232 Capitol Building
Washington, D.C. 20515

The Honorable Kamala D. Harris
President of the Senate
S-212 Capitol Building
Washington, D.C. 20510

Dear Mr. Speaker and Madam President:

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 October 1, 2022 through March 31, 2023.

During this reporting period, the OIG completed a special review of the FEC travel and purchase card programs and monitored an audit of the FEC's human capital management program, which was completed by independent auditors. Management's responses to the review and audit are included in those reports, which are available on FEC.gov at: <https://www.fec.gov/office-inspector-general/>.

The Commission appreciates and shares the Office of 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* will be provided to the FEC's oversight committees.

On behalf of the Commission,

A handwritten signature in black ink, appearing to read "Dara Lindenbaum".

Dara Lindenbaum
Chair

Enclosure

Message from the Inspector General	1
OIG Personnel Updates.....	3
FEC Office of Inspector General Organization Chart.....	4
OIG Core Values.....	5
Executive Summary.....	6
OIG Audit, Evaluation, Special Review, and Other Activity	9
OIG Recommendations Follow-up Activity	13
OIG Hotline Activity	16
OIG Investigative Summaries.....	18
Top Management Challenges.....	20
Council of the Inspectors General on Integrity and Efficiency	22
List of Trainings, Meetings & Conferences.....	23
Reporting Requirements.....	26
Table I: Inspector General Issued Reports with Questioned Costs.....	27
Table II: Inspector General Issued Reports with Recommended Actions That Funds Be Put to Better Use	28
Table III: Summary of Audit, Review, Inspection, and Investigative Reports with Corrective Actions Outstanding (>6 Months).....	29
Table IV: Summary of Investigative Reports and Actions	30
Appendix A: Peer Review Results.....	31
Appendix B: Mission Statements	32
Appendix C: OIG Hotline Poster	33

Message *from the* Inspector General



It is with great pleasure that I present the Federal Election Commission (FEC) Office of the Inspector General (OIG) Semiannual Report to Congress for the period of April 1, 2023, to September 30, 2023. This report reflects the exceptional work of the FEC OIG team and their commitment to the critical mission of the OIG.

During the reporting period, the audit team completed and published an audit of the [FEC's Human Capital Management Program](#). Additionally, the audit team completed a special review of the [FEC's Travel and Purchase Card Programs](#), initiated an evaluation of the FEC's staffing, hiring, and retention levels, and initiated an audit of the FEC's Equal Employment Opportunity (EEO) and Diversity, Equity, Inclusion, and Accessibility (DEI&A) programs. The audit team continued to oversee the FY 2023 Financial Statement audit, which will be issued and finalized in November 2023.

The investigative team continues to respond to hotline complaints and conduct investigations. During the reporting period, the investigative team completed one investigation. That investigation concerned an [allegation of ethics violations by an FEC Commissioner](#). Despite the subject of the investigation's non-participation, the OIG concluded the allegations were not substantiated and closed the matter with no recommendations for FEC management. The investigative team remains committed to promoting accountability by responding to hotline complaints and investigating allegations of wrongdoing.

The previous reporting period identified seven recommendations outstanding for more than six months from three audit-related engagements (one inspection, one special review, and one audit). Four additional recommendations from the prior reporting period became subject to statutory follow-up requirements during the current reporting period. These four stemmed from one special review and one audit, bringing the total number of recommendations (outstanding over six months) to 11. The OIG team will continue to work with the Commission and agency leaders to address open OIG recommendations.

Additionally, the FEC Commissioners and FEC Inspector General were invited to testify before the Committee on House Administration on September 20, 2023. My [written testimony](#) focused on, among other things, the FEC's significant challenges concerning the dramatic increase in campaign expenditures and transactions and the FEC's declining budget and personnel resources.

Going forward, the FEC OIG remains committed to conducting audits, evaluations, and special reviews to strengthen the agency's internal controls, addressing hotline complaints, resolving outstanding audit and investigative

recommendations, and ensuring that the FEC and OIG programs evince a high level of integrity. I look forward to continuing to work with the FEC OIG team, the Commission, members of Congress, and my IG colleagues to provide oversight to the FEC on behalf of the American taxpayers. This Semiannual Report reflects the exceptional work of the FEC OIG team and their commitment to the critical mission of the OIG.

A handwritten signature in black ink, appearing to read 'C. Skinner', written in a cursive style.

Christopher Skinner
Inspector General

OIG Personnel Updates

Additions:

None during this reporting period.

Farewells:

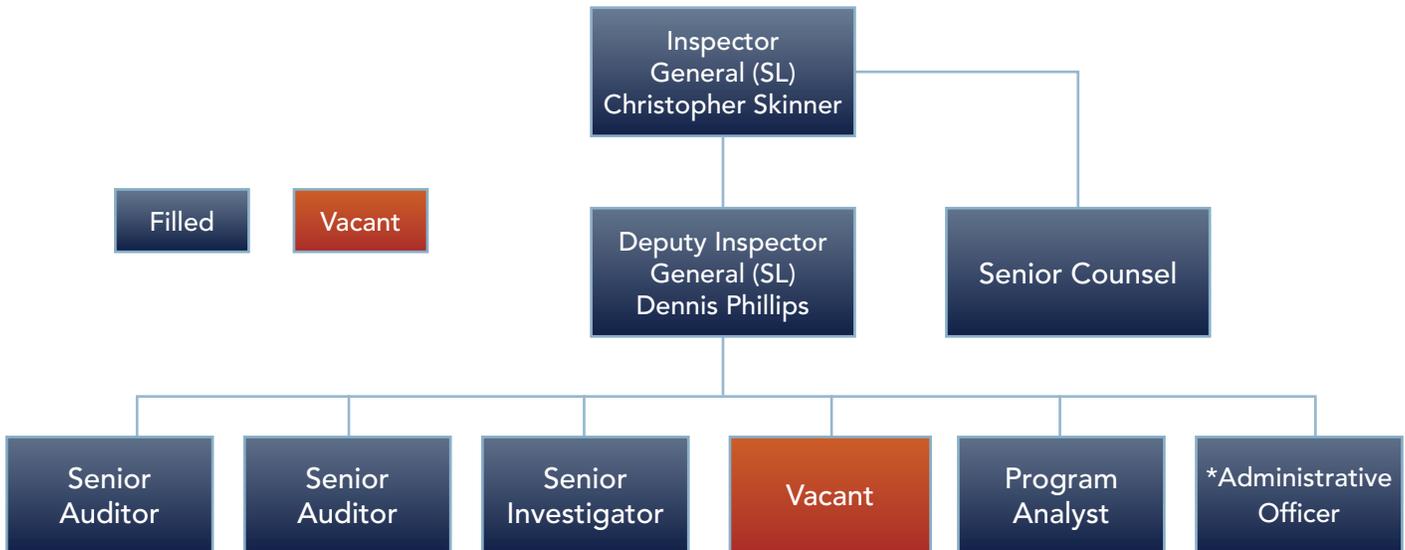
Ms. Jessica Joy, AmeriCorps OIG Program Analyst, completed a temporary detail assignment to support the FEC OIG inspection and evaluation program. Jessica proved to be a dynamic asset to the FEC OIG team, and we applaud her hard work and her dedication to federal oversight.

Vacancies:

The OIG currently has one vacant position.



FEC Office *of the* Inspector General Organization Chart



* Administrative Officer reports to the Deputy IG, supports all FEC OIG staff in administrative matters, and reports to the IG for purposes of managing the IG’s schedule and related items.

Updated: March 2022

Core Values

Commitment

We are committed to continually seek personal and operational growth opportunities to preserve the positive reputation of the OIG. We pledge our dedication to persistently enhance our skillsets in efforts to uphold the integrity of the FEC.

Respect

We are devoted to creating a professional and positive work environment in which all colleagues and stakeholders are treated with the utmost respect. We welcome, value, and embrace the diversity of everyone and behave respectfully to all with whom we interact.

Service

We pride ourselves in providing a non-confrontational, value-added service to customers through objective, accurate, and timely evaluations of OIG inquiries in support of FEC operations and procedures.

Honesty

We are honest, fair, and true to ourselves, to each other, and to our customers, which is reflected in our reputation. We behave with the highest levels of integrity, which is fundamental to who we are as a team.

Collaboration

We strive to collaborate and build key relationships within the OIG community and the FEC in order to improve program operations, efficiencies, and effectiveness. We universally work together to identify potential opportunities to partner with OIG stakeholders in efforts to resolve Government wide concerns and maximize the value to the citizens of the United States.

Balance

We aim to balance customer needs with the mission of the OIG and FEC while assuring all endeavors of our work reflect transparent and unbiased processes. We apply this practice through our application of due regard for our peers, our beliefs, our family, and our stakeholders.

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 preventing fraud, waste, abuse, and mismanagement.

The IG Act requires that the IG provide a means for keeping the head of its respective establishment (i.e., the “Commission”) and the Congress fully and currently informed of problems relating to the administration of FEC programs and operations through regular reports. Additionally, IGs are required to report to their respective establishments particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of agency programs and operations.

This semiannual report provides the major accomplishments of the FEC OIG, as well as relevant information regarding additional OIG activities. The executive summary highlights the most significant completed activities of the OIG from April 1, 2023, to September 30, 2023. Additional details pertaining to each activity (e.g., audits, evaluations, hotline, investigations, and special reviews) can be found in subsequent sections of this report. The FEC OIG staff relies and acts on its OIG Core Principles (honesty, collaboration, commitment, balance, service, and respect) and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) standards to ensure the integrity of all FEC OIG work products.

OIG Audit, Evaluation, Special Review, and Other Activity

FY 2023 Financial Statement Audit

The OIG entered into a five-year Blanket Purchase Agreement (BPA) with Brown & Company, PLLC to perform Professional Audit Services. The FEC’s FY 23 financial statement (FS) audit is the first FS audit called against the BPA. During this reporting period, the entrance conference was held on April 20, 2023, which kicked off the planning phase of the audit.

Brown & Company is currently in the process of completing interim and compliance testing, assessing information technology (IT) internal controls, and following-up on the status of prior years’ IT audit findings and recommendations. The OIG anticipates completing the audit on-time, providing no unforeseen delays, and issuing the final audit report by the mandated date of November 15, 2023.

Human Capital Management Audit

An audit of the [FEC’s Human Capital Management Program](#) was performed by Brown & Company under a BPA with, and monitored by, the OIG in accordance with generally accepted government auditing standards. The audit found that the FEC has not developed a plan that describes how the FEC will strategically manage its human capital resources across the agency. Accordingly, the auditors recommended that the FEC develop a strategic human capital management program that is informed by the Office of Personnel Management’s (OPM) Human Capital Framework

which, according to OPM, is essential to effective management. The final report was issued on April 27, 2023, and included five (5) recommendations.

Audit of FEC’s Equal Employment Opportunity & Diversity, Equity, Inclusion, and Accessibility Programs

This performance audit commenced during this reporting period. The entrance conference was held on September 28, 2023. The two objectives for this audit are: (1) to assess FEC’s EEO compliance with statutory requirements, applicable EEOC and OPM guidance, best practices, as well as applicable agency policies and procedures; and (2) to analyze FEC’s implementation of diversity and inclusion efforts related to the workforce to increase racial, ethnic, and gender diversity in the workforce.

Evaluation of Staffing, Hiring, and Retention

The primary purpose of this engagement is to evaluate trends in FEC staffing levels, as well as the causes and effects of attrition. The FEC’s full-time staffing level fell from 354 full-time staff in September 2012 to 293 in September 2022. This period coincides with a substantial increase in both the number and dollar value of filings subject to FEC processing, review, and enforcement. We will complete and publish the results including identified causes and effects in the September 2023 to March 2024 reporting period.

Special Review of the FEC Travel and Purchase Card Programs

A review of the travel and purchase card programs was conducted, per the OIG Fiscal Year (FY) 2023 Work Plan. The review identified areas in which management could enhance program controls, including ensuring that the responsibilities of Approving Officials (AOs) align with the guidance provided in Office of Management and Budget (OMB) A-123, Appendix B, and General Services Administration (GSA) SmartPay Training. Additionally, monitoring the completion of training and monitoring the timely submission of travel vouchers to the Office of the Chief Financial Officer (OCFO) were identified as areas for control improvement within the process. The report was issued August 1, 2023, and included five (5) recommendations for management.

OIG Recommendations Follow-up Activity

The OIG has the responsibility to perform follow-up assessments to ensure that management has effectively implemented OIG recommendations. The OIG follows up on all FEC recommendations that have been outstanding for more than six months and identifies the progress management has made in addressing such recommendations to date. The OIG continues to follow up with management to address outstanding recommendations. As of September 30, 2023, there were 11 outstanding recommendations greater than six months old (See complete details in Table III: Summary of Audit, Review, Inspection, and Investigative Reports with Corrective Actions Outstanding).

OIG Hotline Activity and Investigations

The OIG manages its complaints primarily through the online hotline portal, through which members of the public and agency employees may submit matters to the OIG. During this reporting period, the OIG received 38 new hotline complaints and closed 36 complaints, ending the reporting period with three open hotline complaint. Of the 36 closed complaints, one was from the prior reporting period.

The OIG previously reported three investigations as of March 31, 2023. During the reporting period, no new investigations were opened, two investigations were closed, and one investigation is currently on hold pending ongoing litigation.

During the reporting period, the investigative team completed one investigation in which the OIG issued a report to the Commission. The investigation was related to concerns about Commissioner James “Trey” Trainor III’s appearance at an event where he was allegedly billed as a member of former President Donald Trump’s elections team. The investigation also examined whether Commissioner Trainor should have recused himself from adjudicating matters involving former President Trump in light of his appearance and prior representation of the campaign. Due to Commissioner Trainor’s non-participation in the investigation, the OIG was unable to obtain all relevant facts and circumstances. However, based on public reporting and other available evidence, the OIG identified no violations of relevant ethical standards and therefore closed the matter with no recommendations. Additionally, the OIG closed a separate investigation with a closing memorandum because federal policies relevant to the investigation were rescinded by an executive order.

Top Management Challenges

In accordance with the *Reports Consolidation Act of 2000*, we identify the most serious management and performance challenges facing the Commission and provide a brief assessment of the Commission’s progress in addressing those challenges. Each challenge area is related to the FEC’s mission and reflects continuing vulnerabilities and emerging issues. The following identifies the FEC’s most significant management and performance challenges in our [FY 2023 report](#), which is based on our experience and observations from our oversight work:

1. Growth of campaign spending
2. Identifying and regulating unlawful foreign contributions
3. Continuity of operations
4. Human capital management
5. Cybersecurity

Peer Review

The FEC OIG conducted a peer review of the Architect of the Capitol (AOC) OIG investigations program during the reporting period. The FEC OIG found that the internal safeguards and management procedures for the investigative functions of the AOC OIG in effect between October 1, 2021, to January 31, 2023 are in compliance with the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Quality Standards for Investigations and other applicable guidelines.

OIG Audit, Evaluation, Special Review, and Other Activity

Title:	FY 2023 Financial Statement Audit
Assignment Number:	OIG-23-01
Status:	In Progress

The OIG entered into a five-year Blanket Purchase Agreement (BPA) with Brown & Company, PLLC to perform Professional Audit Services. The FEC’s FY 23 financial statement (FS) audit is the first FS audit called against the BPA. During this reporting period, the entrance conference was held on April 20, 2023, which kicked off the planning phase of the audit. The start of field work and interim testing began in June 2023.

Brown & Company is currently in the process of completing interim and compliance testing, assessing information technology (IT) internal controls, and following-up on the status of prior years’ IT audit findings and recommendations. As in prior years, the IPA is required by the FEC OIG’s contract to conduct additional testing on IT controls, as the FEC is exempt from the Federal Information Systems Management Act (FISMA) and is not required to perform the annual FISMA audit.

Final audit testing will be performed during October and early November 2023, followed by the draft report to management and exit conference by early November. The OIG anticipates completing the audit on-time, providing no unforeseen delays, and issuing the final audit report by the mandated date of November 15, 2023.

Title:	Human Capital Management Program Audit
Assignment Number:	OIG-22-02
Status:	Completed

Fieldwork for the Audit of FEC’s Human Capital Management Program was completed in the prior reporting period. However, the audit report was finalized and issued during this reporting period on April 27, 2023. This audit was conducted under the 5-year BPA that was awarded to Brown & Company, an IPA. The primary purpose of this audit was to determine if the FEC’s human capital management program is adequate to ensure the strategic plan and mission of the agency is achieved and aligned with the Office of Personnel Management’s (OPM) Human Capital Framework. This engagement was conducted as a performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS).

The audit concluded that the FEC has not fully developed and implemented a strategic HCM plan sufficient to ensure the continuous achievement of its strategic goals and objectives. The final report included five (5) recommendations. Specifically, the IPA recommended FEC Management should implement the following:

1. A human capital strategy that outlines the overall planning, performance strategy, workforce priorities, and workforce planning activities;
2. A process for conducting and documenting skills gap analyses of its workforce;
3. A process for succession planning for senior leaders and mission-critical positions;
4. Guidance on the development of training programs, including formal training plans for appropriate employees (e.g., employees with skills gaps and for succession planning purposes); and
5. Consistency in the performance review process.

FEC management largely disagreed with the auditors' findings and recommendations, citing the non-applicability of certain requirements in 5 C.F.R. Part 250, among them, the requirement to "implement and develop a human capital operating plan (HCOP)." Although it may be true that the FEC is not required by law to implement certain requirements in Part 250 (which the audit report acknowledged), this engagement was conducted as a performance audit and, thus, looked beyond compliance with regulatory requirements. As provided in relevant government auditing standards: "Performance audit objectives vary widely and include assessments of **program effectiveness, economy, and efficiency**; internal control; compliance; and prospective analyses" (emphases added). Accordingly, the auditors looked to guidance provided by OPM, which recently opined that:

Public and private sector studies have shown organizations that achieve and sustain excellence in strategic human capital management outperform those that do not. The strategic management of human capital not only impacts organizational performance but can enable the workforce to accelerate progress to achieve strategic objectives.¹

In light of OPM's broad endorsement of strategic human capital management and OPM's previous application to the FEC of certain elements of its human capital framework,² the audit team recommended that the FEC develop a plan to strategically manage human capital that is informed by OPM's framework. The auditors further recommended that the FEC apply those human capital management principles at a scale appropriate to the size and structure of the FEC to drive a proactive and strategic approach to human capital management commensurate with the FEC's mission and resources.

The auditors also recognized that efforts to improve the strategic management of human capital at the FEC were subject to budget constraints, workforce reductions, and competing priorities and emphasized that those very challenges further amplified the need for the strategic management of human capital.

¹ <https://www.opm.gov/policy-data-oversight/human-capital-management/human-capital-operating-plan-guidance.pdf>

² Letter from the Office of Personnel Management to the FEC, Subj.: Merit System Accountability and Compliance, dated November 25, 2019.

Title:	Audit of FEC’s Equal Employment Opportunity & Diversity, Equity, Inclusion, and Accessibility Programs
Assignment Number:	OIG-23-02
Status:	In Progress

This performance audit commenced during this reporting period. The entrance conference was held on September 28, 2023. This audit will be conducted under the 5-year BPA that was awarded to Brown & Company. The two objectives for this audit are:

1. To assess FEC’s EEO compliance with statutory requirements, applicable EEOC and OPM guidance, best practices, as well as applicable agency policies and procedures; and
2. To analyze FEC’s implementation of diversity and inclusion efforts related to the workforce to increase racial, ethnic, and gender diversity in the workforce.

Brown & Company is in the planning stages of this 10-month engagement. As such, the results of this audit will be reported in a future reporting period.

Title:	Evaluation of Staffing, Hiring, and Retention
Assignment Number:	IE-23-01
Status:	In Progress

The primary purpose of this engagement is to evaluate trends in FEC staffing levels, as well as the causes and effects of attrition. The FEC’s full-time staffing level fell from 354 full-time staff in September 2012 to 293 in September 2022. This period coincides with a substantial increase in both the number and dollar value of filings subject to FEC processing, review, and enforcement. We will complete and publish results including identified causes and effects in the September 2023 to March 2024 reporting period.

Title:	Special Review of the FEC Travel Charge/Purchase Card
Assignment Number:	SR-23-02
Status:	Complete

This special review was selected per the OIG FY 2023 Work Plan. The review identified areas in which management could enhance program controls, including ensuring that the responsibilities of Approving Officials (AOs) align with the guidance provided in Office of Management and Budget (OMB) A-123, Appendix B, and General Services Administration (GSA) SmartPay Training. Additionally, monitoring the completion of training and monitoring the timely submission of travel vouchers to the Office of the Chief Financial Officer (OCFO) were identified as areas for control improvement within the process. The report was issued August 1, 2023, and included five (5) recommendations for management.

Title:	<u>FEC's Compliance with Improper Payments Reporting for Fiscal Year 2022</u>
Assignment Number:	N/A
Status:	Complete

This compliance review was completed during this reporting period and satisfies the OIG's FY 2022 annual review of the FEC's compliance with the Payment Integrity Information Act of 2019 (PIIA). This review was conducted in accordance with the requirements in the OMB Circular A-123, Appendix C (March 2021), OMB Circular A-136 (August 10, 2021), OMB Annual Data Call Instructions, OMB Payment Integrity Question and Answer Platform, and the CIGIE Guide for PIIA.

The OIG examined the agency's payment integrity section and other improper payment disclosure sections of the FEC FY 2022 Annual Financial Report (AFR) posted on the agency's website. The OIG concluded that the FEC complied with the applicable reporting requirements which includes publishing the appropriate improper payments information with the annual Performance and Accountability Report (PAR) or AFR along with accompanying materials for the most recent fiscal year. The management letter was issued in May 2023.

OIG Recommendations Follow-up Activity

Title:	OIG Recommendations Follow-up Activity
Assignment Number:	N/A
Status:	In Progress

As required by the *Inspector General Act of 1978*, as amended, the OIG is responsible for, among other things, conducting and supervising audits, inspections, and special reviews of the FEC's programs and operations. Additionally, the OIG has the responsibility to perform follow-up assessments to ensure that management has effectively implemented OIG recommendations. The OIG follows up on all recommendations that have been outstanding for more than six months and identifies the progress management has made in addressing such recommendations to date. Accordingly, the figures detailed herein do not include any recommendations less than six months old.

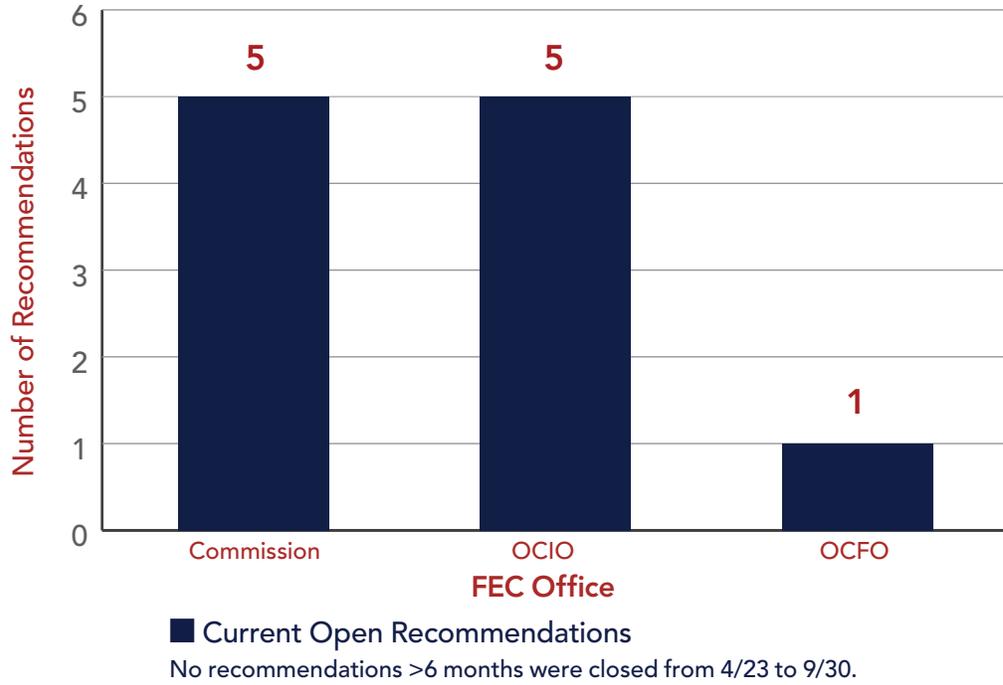
The previous reporting period identified seven recommendations outstanding for more than six months from three audit-related engagements (one inspection, one special review, and one audit). Four additional recommendations from the prior reporting period became subject to statutory follow-up requirements during the current reporting period. These four stemmed from one special review and one audit, bringing the total number of recommendations (outstanding over six months) to 11. None of the 11 recommendations outstanding over six months were closed by FEC staff during the reporting period ending September 30, 2023.

The 11 open recommendations (outstanding over six months) as of September 30, 2023 stem from the following inspection, investigation, special reviews, and audit:³

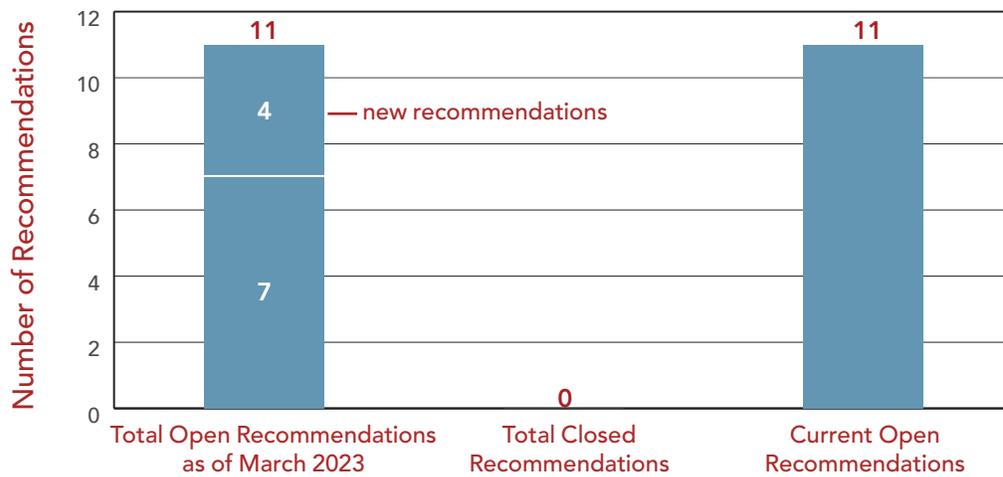
1. Inspection of the FEC's Disaster Recovery Plan and Continuity of Operations Plans (outstanding 10 years)
2. Investigation I21INV00037: Allegations of Bias Against Federal Election Commission Personnel Reviewing the 58th Presidential Inaugural Committee Reports (outstanding two years two months)
3. OIG Special Review of the Federal Election Commission (FEC) Contracting Officers Representative (COR) Program (outstanding one year four months)
4. OIG Review of Commission Directive 06, Handling of Internally Generated Matters (outstanding 11 months)
5. Independent Audit Report of FEC's FY 22 Financial Statements (outstanding 10 months)

³ During the April to September 2023 reporting period, one audit and one review were published that included a total of 10 recommendations. FEC staff closed one recommendation leaving 9 remaining open recommendations less than six months. Including these nine, the total number of open recommendations, regardless of age, was 20 as of September 30, 2023.

Recommendations Activity by FEC Office from April 2023 to September 2023 (> 6 months old)⁴

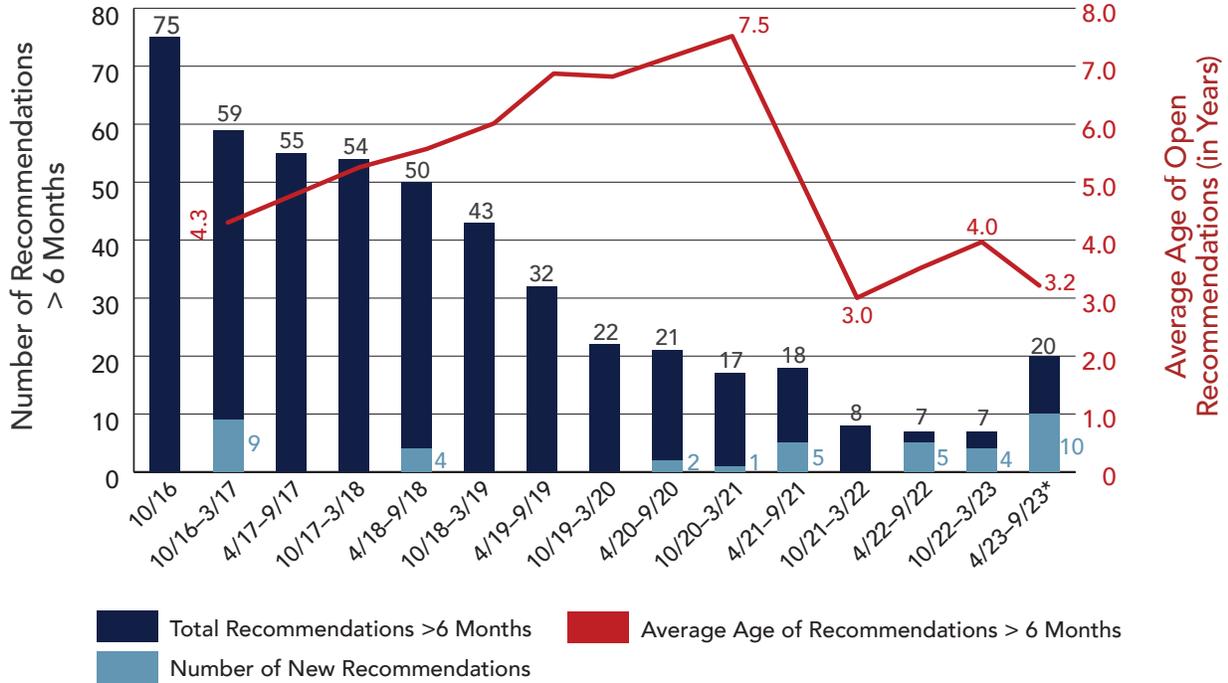


Progress Report from April 2023 to September 2023 (> 6 months old)



⁴ Four recommendations that had been assigned to OGC in the March 2023 Semiannual Report have been redesignated to the Commission to reflect the current status of responsibility within the FEC.

Open and New Recommendations Oct 2016 - Sep 2023 (> 6 Months)
 Average Age of Open Recommendations (> 6 Months)



* The period 4/23 to 9/23 includes 9 recommendations < 6 months (one of the 10 new was closed). There are 11 open recommendations > 6 months as of September 30, 2023.

OIG Hotline Activity

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 misconduct. Additionally, the OIG may open a hotline complaint based on information received from members of Congress, FEC management, or the results of an audit or review.

Persons who seek to submit complaints have three methods of submitting their inquiry: (1) the hotline portal, which is accessible through the OIG webpage; (2) the OIG hotline form (which can be mailed to the OIG's physical address); and (3) the OIG hotline telephone, which is actively monitored during business hours.

During this reporting period, the OIG received 38 new hotline complaints and closed 36 complaints, ending the reporting period with three open hotline complaints.⁵ Of the 36 closed complaints, one was from the prior reporting period.

The OIG takes all matters received on the hotline seriously. Accordingly, we carefully analyze all information received to determine the appropriate course of action. Those courses of action include but are not limited to:

- **Opened for investigation** – Issue involves an FEC employee, program/process, and alleges a violation of an applicable law, rule, or regulation.
- **OIG referral to management for action** – Issue is more suitably handled by management; OIG refers to management for action deemed appropriate.
- **OIG referral to another existing FEC program/process (i.e., OGC, EEO, HR)** – Existing process exists to resolve the issue; OIG refers the matter to relevant program/process for action deemed appropriate.
- **OIG referral to external agency** – Issue is best handled by another agency that has cognizance over the matter and/or it warrants criminal investigation/prosecution. OIG refers to relevant agency for action deemed appropriate.
- **OIG referral to the OIG audit, evaluation, or special review process** – The issue identifies compliance or internal control concerns regarding specific agency operations but does not warrant OIG investigation. OIG refers internally for potential audit or review.
- **Assist complainant** – OIG determines the complaint is best handled by an existing process and/or entity that is available to the complainant. OIG notifies the complainant of that process.
- **Closed with no further action** – Complaint is frivolous, has already been addressed, provides insufficient detail to act, or otherwise warrants no further OIG action. OIG advises complainant that the matter is not within the OIG's cognizance, when appropriate.

⁵ The OIG also receives communications that do not rise to the level of complaints because they are not OIG specific and/or fail to state a complaint; we classify those as OIG Contacts for reporting purposes. During the reporting period, the OIG received and responded to 26 OIG Contacts.

OIG Course of Action - Hotlines Closed	
Opened for investigation	0
OIG referral to FEC management	0
OIG referral to existing FEC program/process	2
OIG referral to external agency	3
OIG referral to OIG audit/special review	0
Assist complainant	9
Closed with no action	22
Total Hotlines Closed	36

OIG Investigative Summaries

OIG investigations gather and analyze facts to resolve allegations of wrongdoing. OIG investigations may address administrative, civil, and criminal violations of laws, regulations, and policies and issues concerning the economy and efficiency of FEC operations and programs. The subject of an OIG investigation may include any agency employee, FEC contractor, consultant, or person or entity involved in alleged wrongdoing affecting FEC programs and operations.

As previously noted, the OIG evaluates all hotline complaints to determine if an investigation is warranted. OIG investigations involve a detailed analysis of the issues presented, as well as emerging issues identified by the OIG. That analysis includes, but is not limited to obtaining pertinent agency records, performing computer material examinations, and interviewing witnesses and subjects. Occasionally, open investigations may be closed without a Report of Investigation (ROI) due to, among other things, refuting evidence or lack of evidence obtained and/or the level of severity of the allegation(s). Additionally, competing priorities may indicate that an allegation of wrongdoing is better addressed by management than by OIG investigation.

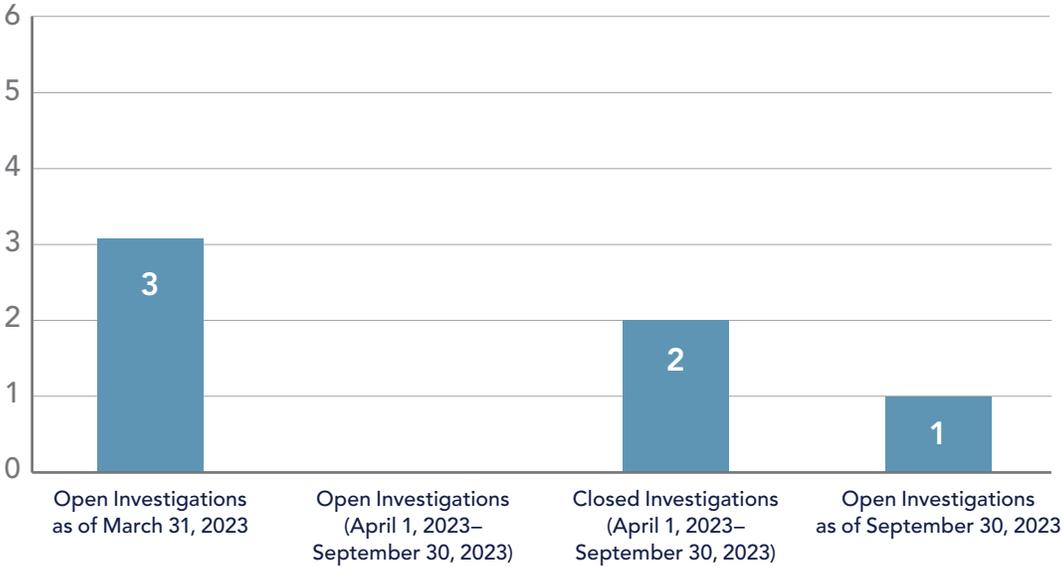
If the OIG determines to proceed and prepare an ROI, that report will provide a summary of the complaint, document the specific allegation(s), the law(s) or regulation(s) associated with the allegation(s), the objective description of the case facts, and a conclusion of investigative findings (i.e., substantiated or not substantiated). In addition, where appropriate, the report addresses potential improvements to the economy and efficiency of FEC programs and operations. The OIG previously reported three investigations as of March 31, 2023. During the reporting period, no new investigations were opened, two investigations were closed, and one investigation is currently on hold pending ongoing litigation.

During the reporting period, the investigative team completed one investigation in which the OIG issued a report to the Commission. The investigation inquired into concerns about Commissioner James “Trey” Trainor III’s appearance at an event where he was allegedly billed as a member of former President Donald Trump’s elections team. The investigation also examined whether Commissioner Trainor should have recused himself from adjudicating matters involving former President Trump in light of his appearance at the event and prior representation of the campaign. Because of Commissioner Trainor’s non-participation in the investigation, the OIG was unable to obtain all relevant facts and circumstances. However, based on public reporting and other available evidence, the OIG identified no violations of relevant ethical standards and therefore closed the matter with no recommendations.

The OIG closed another investigation with a memorandum and conducted no further investigative activity because federal policies relevant to the investigation were rescinded by executive order.

Closed Investigations - Courses of Action (April 1, 2023 – September 30, 2023)	# of Investigations
Investigations closed with ROI released to Commissioners	1
ROI completed and released to Commissioners and referred to local state authorities	0
Investigations closed with Management Alert Memorandum (requesting management to follow up with actions taken, if any)	0
Investigations closed with Closing Memorandum but not provided to management due to insufficient evidence	1
Investigations closed and referred to OIG audit/special review program	0
Referrals to DOJ for federal prosecution	0
Totals	2

FEC OIG Status of Investigations
(April 1, 2023 – September 30, 2023)



Top Management Challenges

In accordance with the *Reports Consolidation Act of 2000*, in early FY 2023 we identified the most serious management and performance challenges facing the Commission and provided a brief assessment of the Commission's progress in addressing those challenges. Each challenge area is related to the FEC's mission and reflects continuing vulnerabilities and emerging issues. The following summarizes FEC's most significant management and performance challenges in our latest [report](#), which is based on our experience and observations from our oversight work:

- 1. Growth of elections spending** – The FEC was established nearly fifty years ago to provide oversight of federal campaign finance. In recent years, federal campaign fundraising and spending have increased dramatically, particularly since the U.S. Supreme Court's decision in *Citizens United v. FEC* in 2010. The rapid growth of contributions to campaigns and committees, both in total dollars and in the number of contributions, has not been met with corresponding budgetary resources for the FEC to provide campaign finance oversight. Total spending on federal election campaigns during presidential years increased from \$3.1 billion in 2000 to approximately \$14.4 billion for the 2020 election cycle, nearly a 5-fold increase. Spending on the 2022 mid-term elections reached \$8.9 billion, setting an all-time record for spending on congressional races and exceeding the 2018 mid-term total by more than 50%.
- 2. Identifying and regulating unlawful foreign contributions** – Identifying and regulating unlawful foreign contributions pose a significant challenge to the FEC. As committee expenditures and the number of transactions subject to FEC regulation and oversight increase, potential contributions by foreign nationals also increase, which demands greater scrutiny by agency regulators. However, a recent OIG report found that the FEC's practice of relying on filers' self-certifications concerning potential foreign contributions poses a national security risk and provides insufficient oversight of possible illegal foreign donations. Indeed, numerous recent cases highlight the risk of unlawful foreign influence in U.S. elections.
- 3. Continuity of Operations** – Recent and dramatic changes in workplace dynamics due to the COVID-19 pandemic pose many management and performance challenges for the FEC. Federal agencies, including the FEC, have implemented various return-to-office policies after the expiration of evacuation orders that mandated remote work during the height of the pandemic. However, substantial uncertainty remains regarding how the post-pandemic work environment will look for the FEC, how the FEC's telework policies will affect retention and recruitment, and how the agency would respond to a future pandemic or similar event that disrupts operations.
- 4. Human Capital Management** – Human capital management is the process of acquiring, training, managing, and retaining employees to effectively execute the agency's mission. In prior management challenge reports the OIG identified, among other things, the unusual salary structure of certain senior leaders at the Commission (including Commissioners), the practice of agency personnel serving in acting positions for extended periods of time, and the Commission's attempt to address these issues through repeated legislative recommendations to Congress. These challenges have a direct impact on the Commission's management of human capital. For example, the problems brought about by the challenged

senior salary structure, coupled with declining staffing levels and increased workload, appear to have contributed to the recent 29th out of 29 ranking among small agencies that the FEC received in the Partnership for Public Service's 2021 Best Places to Work in the Federal Government report.

5. **Cybersecurity** - Protecting data, systems, and networks from threats remains a top challenge. The FEC was established to protect the integrity of federal campaign finance by providing transparency and enforcing and administering federal campaign finance laws. In doing so, the FEC discloses campaign finance data to the public and as a result, encounters large volumes of webpage traffic from stakeholders and members of the public. In efforts to streamline transparency initiatives and improve business processes, the Commission is more technology reliant today, as is society; as such, it is imperative that the Commission continue to prioritize cybersecurity.

Council of the Inspectors General on Integrity and Efficiency

Mr. Christopher Skinner, the Inspector General, attends CIGIE monthly meetings as well as CIGIE sponsored conferences and professional development seminars. Mr. Skinner is an active member of the CIGIE Technology, Legislative and Budget Committees. He also serves on the IG Candidate Panel, reviewing candidates interested in presidential appointment, needing Senate confirmation (PAS), or for Designated Federal Entity (DFE) Inspector General Positions.

Mr. Dennis Phillips, the Deputy Inspector General, participates in CIGIE quarterly meetings and OIG investigative meetings.

Ms. Carla Smith, Senior Counsel, participates in the following recurring meetings: CIGIE Legislative Committee, Counsel to the OIG, Counsel to the small OIG, *Freedom of Information Act* (FOIA) and Professional Development Committee (PDC). Ms. Smith currently serves as the Vice Chair of the Leadership Innovation Subcommittee. In this position, she assists in developing community-wide forums and events that foster continual innovation and knowledge sharing in leadership development for the OIG community.

Ms. Shellie Purnell-Brown, Senior Auditor, participates in the Enterprise Risk Management working group and serves as the Chair of the Federal Audit Executive Council (FAEC) Annual Conference Planning Committee.

List of Trainings, Meetings & Conferences

The chart below provides a list of trainings, meetings, programs, seminars, and/or conferences attended by the IG and the OIG staff for the period April 1, 2023 to September 30, 2023.

Trainings, Meetings, Conferences, Etc.	
Host / Sponsor	Topic / Subject
American Society of Access Professionals (ASAP)	16th Annual National Training Conference
Association of Certified Fraud Examiners (ACFE)	34th Annual ACFE Global Fraud Conference Investigating on the Internet The Big Business of Modern-Day Fraud
Association of Certified Fraud Examiners (ACFE) Maryland Chapter	2023 Maryland Fraud Conference Blockbuster Cybersecurity in a Zero Trust World
Association of Inspectors General Institute® (AIGI)	Certified Inspector General Auditor Certified Inspector General Inspector/Evaluator
Congress	United States Committee on House Administration – Oversight of the Federal Election Commission Hearing
Council of the Inspectors General on Integrity and Efficiency (CIGIE)	2023 CIGIE/GAO Annual Meeting 2023 CIGIE/GAO Financial Statement Audit Conference Appropriations Law Seminar Budget Committee Connect, Collaborate, and Learn (CCL) - Effective Communication when Conducting Audits Evaluations and Inspections – Part II Contract and Grant Fraud Training Deputy Inspector General for Audit Meeting Deputy Inspector General Quarterly Meeting Diversity, Equity & Inclusion (DE&I) Monthly Meeting Federal Audit Executive Council (FAEC) Annual Conference Planning Committee

LIST OF TRAININGS, MEETINGS & CONFERENCES

Trainings, Meetings, Conferences, Etc.	
Host / Sponsor	Topic / Subject
Council of the Inspectors General on Integrity and Efficiency (CIGIE)(Cont.)	Inspector General Candidate Review Panel Inspections and Evaluations (ISE) Town Hall Leading, Inspiring and Fostering Talent (LIFT) and CIGIE Training Institute: CIGIE 101 Legislative Committee Meeting Monthly Meeting with Inspectors Generals Monthly Meeting with Counsel Orbitz Science Based Interviewing Learning Techniques Forum Tech Tuesday's Training Officers CIGIE Admissions Portal (CAP) Training Whistleblower Education Forum: Investigations and Beyond – Litigation, Reports, Recent Resolutions, and Best Practices Whistleblower Education Forum: Investigative Techniques Whistleblower Education Forum: Overview of Whistleblower Laws and Protections Whistleblower Education Forum: Whistleblower Retaliation Investigations – Insights and Best Practices Whistleblower Education Forum: Working with Whistleblowers on Oversight and Investigations Whistleblower Education Forum: Writing Reports of Investigations
Department of Defense (DoD)	2023 DoD OIG Annual Hotline Worldwide Outreach Quarterly Hotline Working Group
eCornell University	Leading Remote Teams
Federal Election Commission	2023 Annual Security Awareness Training Budget Committee Commission Meeting – Executive Session Contracting Officer’s Representative (COR) Training on Market Research Director’s Meeting Expecting the Unexpected – Active Threat Awareness Training Finance Committee Meeting Financial Statement Audit and Bi-Weekly Status Meeting

Trainings, Meetings, Conferences, Etc.	
Host / Sponsor	Topic / Subject
Federal Election Commission (Cont.)	Lunch and Learn: Employee Resource Groups and Affinity Groups Microsoft Teams Collaboration Training Occupant Emergency Team Training – Cardiopulmonary Resuscitation (CPR), First Aid, and Automatic External Defibrillator (AED) OIG New Hire Orientation OIG Quarterly Update to the Commission Records Management Managers Training
General Services Administration (GSA)	2023 GSA Smart Pay Account Holders Training GSA Smart Pay Purchase Card Training Approving Official Training Market Research as a Service (MRAS) - Effective Market Research
George Mason University	Chief Risk Officer Executive Development Program
Management Concepts	Maximizing Agency Funds at Fiscal Year-End Leadership & DEIA in the Federal Government: Laying the Appropriations Law Managing Agency Funds at Fiscal Year End

Reporting Requirements

Reporting requirements required by the IG Act, as amended, are detailed below:

IG Act	DESCRIPTION	PAGE
Section 4(a)(2)	Review of Legislation	None
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)	29
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	None
Section 5(a)(8)	Questioned and Unsupported Costs (Table I)	27
Section 5(a)(9)	Recommendations that Funds be Put To Better Use (Table II)	28
Section 5(a)(10) (A)	Summary of Audit Reports issued before the start of the Reporting Period for which No Management Decision has been made	None
Section 5(a)(10) (B)	Summary of Audit Reports Issued Before the start of the Reporting Period for which No Management Comment was Returned Within 60 Days	None
Section 5(a)(10) (C)	Summary of Audit Reports Issued Before the Start of the Reporting Period for which There Are Outstanding Unimplemented Recommendations	None
Section 5(a)(11)	Significant Revised Management Decisions	None
Section 5(a)(12)	Management Decisions with which the Inspector General is in Disagreement	None
Section 5(a)(14)	Peer Review Recommendations	31
Section 5(a)(17), (18)	Investigative Reports Table and Metrics (Table IV)	16–19 and 30
Section 5(a)(19)	Investigations Involving a Senior Government Employee with Substantiated Misconduct	None

IG Act	DESCRIPTION	PAGE
Section 5(a)(20)	Instances of Whistleblower Retaliation	None
Section 5(a)(21)	Attempts by the Agency to Interfere with OIG Independence	None
Section 5(a)(22)	Undisclosed Inspections, Evaluations, Audits, and Investigations	None

Table I: Inspector General Issued Reports with Questioned Costs

	Required reporting	Number of Reports	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

REPORTING REQUIREMENTS

Table II: Inspector General Issued Reports with Recommended Actions That Funds Be Spent to Better use

	Required Reporting	Number of Rec's	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, Review, Inspection, and Investigative Reports with Corrective Actions Outstanding (>6 Months)

Report Title	Report Number	Date Issued	Total Rec's	Closed	Open	Cost Savings
Inspection of the Federal Election Commission's Disaster Recovery Plan and Continuity of Operations Plans	OIG-12-06	01/13	2	0	2	0
Investigation I21INV00037	I21INV00037	08/21	4	0	4	0
Special Review of the FEC Contracting Officers Representative (COR) Program	SR-22-01	05/22	1	0	1	0
OIG Review of Commission Directive 06	2023-10-001	10/22	1	0	1	0
Independent Audit Report of FEC's FY 22 Financial Statements	OIG-22-01	11/22	3	0	3	0
Totals			11	0	11	0

REPORTING REQUIREMENTS

Table IV: Summary of Investigative Reports and Actions⁶

FEC OIG Investigations Courses of Action (April 1, 2023 – Sept 30, 2023)	Number
Total number of investigative reports issued	2
Total number of persons referred to DOJ for criminal prosecution	0
Total number of persons referred to state and local prosecuting Authorities for criminal prosecution	0
Total number of indictments and criminal information resulting from any prior referral to prosecuting authorities	1
Total Investigations Closed	2

⁶ Metrics Used for Developing Data for Table IV:

Total number of investigative reports issued - reflects the number of all Reports of Investigation (ROI) issued to FEC Commissioners, management alert memorandums, closing memorandums, and other referral memorandums during the reporting period;

Total number of persons referred to DOJ for criminal prosecution and total number of persons referred to state and local prosecuting authorities for criminal prosecution - reflects the total number of referrals for criminal prosecution made by the FEC OIG to the respective criminal prosecuting authorities during the reporting period; and

Total number of indictments and criminal information resulting from any prior referral to prosecuting authorities - includes all indictments and information issued during the reporting period by Federal, State, or local criminal prosecuting authorities based upon any referral by the FEC OIG, whether the referral was made during this reporting period or a prior reporting period.

Appendix A: Peer Review Results

In accordance with the IG Act, OIGs are required to report to Congress, as applicable, results of any peer reviews it received or conducted during the reporting period. Specifically, OIGs are required to report any outstanding recommendations that resulted from the peer review.

The FEC OIG conducted a peer review of the Architect of the Capitol (AOC) OIG investigations program during the reporting period. The FEC OIG found that the internal safeguards and management procedures for the investigative functions of the AOC OIG in effect between October 1, 2021, to January 31, 2023, are in compliance with the Council of the Inspectors General on Integrity and Efficiency Quality Standards for Investigations and other applicable guidelines.

Appendix B: Mission Statements

Office of Inspector General

The FEC OIG is committed to detecting and preventing fraud, waste, abuse, and other violations of law, and to promoting economy, efficiency and effectiveness in the operations of the FEC. The OIG strives to collaboratively promote improvements to FEC strategic operations, programs, and initiatives by independently conducting value-added audits, reviews, and investigations. Our vision is to serve as trusted agents in driving positive change and promoting integrity in FEC programs and operations.

The Federal Election Commission

The FEC is the independent regulatory agency charged with administering and enforcing the federal campaign finance law. The FEC has jurisdiction over the financing of campaigns for the U.S. House, Senate, Presidency and the Vice Presidency. Its mission is to protect the integrity of the Federal campaign finance process by providing transparency and fairly enforcing and administering federal campaign finance laws.

In 1975, Congress created the FEC to administer and enforce the *Federal Election Campaign Act of 1971*, as amended. 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.

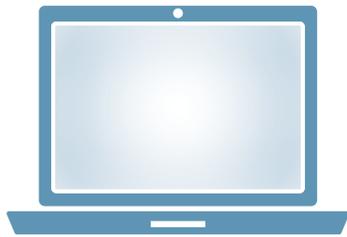
Currently, the FEC has six Commissioners – Dara Lindenbaum (Chair), Sean J. Cooksey (Vice Chairman), Shana M. Broussard, Allen Dickerson, James E. “Trey” Trainor, III, and Ellen L. Weintraub.



Federal Election Commission
Office *of the* Inspector General

REPORT FRAUD, WASTE, & ABUSE

OIG Hotline Portal
<https://fecoig.ains.com>



* Also accessible via:
<http://www.fec.gov/oig>

OIG Hotline Phone
202-694-1015



* Available from 9:00 a.m. to 5:00 p.m.
Eastern Standard Time, Monday through
Friday, excluding federal holidays.

Or you may call toll free at 1-800-424-9530 (press 0; then dial 1015). You may also file a complaint by completing the Hotline Complaint Form (<http://www.fec.gov/oig>) and mailing it to: 1050 First Street, N.E., Suite 1010, Washington DC 20463.