



SEMIANNUAL REPORT TO CONGRESS
APRIL 1, 2016 – SEPTEMBER 30, 2016

NOVEMBER 2016



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

OFFICE OF THE CHAIRMAN

November 21, 2016

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, 2016 through September 30, 2016.

During this reporting period, the FEC's *OIG Audit of the FEC's Telework Programs* was released in June 2016. In July 2016, a report from OIG consultants entitled *Root Causes of Low Employee Morale Study* was released. Finally, the OIG released its *Review of Outstanding Recommendations as of August 2016* in September 2016. The response of FEC management to the issues raised in the OIG reports appear in those reports.

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, appearing to read "Matt Petersen".

Matthew S. Petersen
Chairman

MANAGEMENT REPORT ON
INSPECTOR GENERAL ISSUED REPORTS
WITH QUESTIONED COSTS
FOR THE SIX-MONTH PERIOD ENDING SEPTEMBER 30, 2016

	<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, 2016

	<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

TABLE OF CONTENTS

Executive Summary	1
OIG Audit Activity	3
OIG Audit Follow-up Activity	5
OIG Special Projects	6
OIG Hotline Information	8
OIG Investigative Information	9
Additional OIG Activity	10
Council of the Inspectors General on Integrity and Efficiency (CIGIE) Activity	11
OIG Contacts	12
List of Training, Meetings and Conferences Attended by OIG Staff	13
Reporting Requirements	15
Table I – Questioned Cost	16
Table II – Funds Put To Better Use	17
Table III – Summary Of Audit And Inspection Reports With Corrective Actions Outstanding For More Than Six Months	18
Appendix	
The Federal Election Commission	19
Office of Inspector General	19

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* also requires the IG to keep the Federal Election Commission (Commission or FEC) 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 FEC Office of Inspector General (OIG), as well as relevant information regarding additional OIG activities. The executive summary highlights the most significant completed 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 honesty, integrity, and diligent work of our entire IG staff make the accomplishments of the OIG possible.

The ***Audit of the FEC's Telework Programs (OIG-15-03)*** was completed and released during this reporting period. The primary objectives of the audit were 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 within the spirit of Federal guidance.

The OIG published the final audit report in June 2016. Based on results of the work performed, the OIG concluded the FEC's telework programs and written policies have been designed to incorporate many of the "Key Telework Practices for Implementation of Successful Federal Telework Programs." However, among the findings, there was one significant finding

concerning the approval of telework, especially episodic telework, in a less than equitable manner across the agency.

The report included eleven recommendations to improve the FEC telework programs. Management generally agreed with all recommendations (see ***Audit Activity*** section, page 3).

The ***OIG's Review of Outstanding Recommendations as of August 2016 (OIG-16-05)*** was completed during this reporting period. The OIG semiannually provides the Commission with the status of outstanding recommendations. For this reporting period, we reviewed six audit and inspection reports that contained a combined total of 75 outstanding recommendations. The OIG was able to close three recommendations that were included in the *Audit of the FEC's Office of Human Resources (OIG-12-05)*. We also expressed our concern that there continues to be minimal, if any, progress made in the 28 outstanding recommendations from the *2010 Follow-up Audit of Privacy and Data Protection*. (see ***Audit Follow-up Activity*** section, page 5).

The ***Root Causes of Low Employee Morale Study (OIG-15-06)*** was also completed and released during this reporting period. The OIG undertook this project to discover the root causes of low employee morale at the FEC, which has been reflected in past annual Federal Employee Viewpoint Survey (FEVS) conducted by the OPM. Job Performance Systems, Inc. (JPS) was contracted to perform the study. A report issued in July 2016 identified five major categories of causes of low employee morale at the FEC: Commissioners, Senior Management (below the level of Commissioner), Communication, Accountability, and Other Causes. Results of the interviews, focus groups, and agency-wide survey revealed that FEC employees felt: there was poor tone and attitude at the top of the agency set by the Commissioners, their work was not valued, senior managers were not

trustworthy or effective, favoritism and retaliation was a problem, there was a pervasive lack of communication throughout the agency, and poor performing managers and employees were not held accountable. (see **Special Projects** section, page 6).



OIG AUDIT ACTIVITY

Audit of the Federal Election Commission's (FEC) Telework Programs

Assignment Number: OIG-15-03

Status: Released June 2016

<http://www.fec.gov/fecig/documents/AuditoftheFECsTeleworkPrograms-June2016-OIG-15-03-Final.pdf>

The **Audit of the Federal Election Commission's Telework Programs** was completed and released during this reporting period. The primary objectives of the audit were 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 within the spirit of Federal guidance.

The scope of the audit included detailed testing of actual telework by a sample of FEC employees during twelve months 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 applicable telework policies;
- Follow-up on employees that were identified as potentially having been approved for telework in excess of that allowed by the policies in place at the time. Then, based on information obtained, assess for reasonableness and/or appearance of preferential treatment.

The report included eleven recommendations to improve the FEC telework programs. Management generally agreed with all recommendations. The OIG concluded the FEC's telework programs and written policies have been designed to incorporate many of the "Key Telework Practices for Implementation of Successful Federal Telework Programs." However, there was one significant finding concerning the approval of telework, especially episodic telework, in a less than equitable manner. For example, some employees were allowed to telework using a combination of regular scheduled and episodic telework so frequently that it circumvented the telework policies regarding the maximum number of days employees were allowed for scheduled telework.

Other findings and process improvement opportunities to ensure the effective operation of telework programs included:

- Oversight and monitoring controls were not adequate;
- Existing WebTA telework reporting capabilities were not utilized to monitor and assess compliance with telework policies and procedures;
- There was no designated Telework Managing Officer (TMO) at the time of the audit; and
- Telework pay categories and hours were not accurately recorded in the time and attendance payroll system.

Audit of the FEC's FY 2016 Financial Statements

Assignment Number: OIG-16-01

Status: In Progress

On March 14, 2016, Leon Snead & Company, Independent Public Accountants, provided an engagement letter to the Inspector General, the FEC's Acting Chief Financial Officer (CFO), and the Commissioners detailing its roles and responsibilities as an IPA and those of agency management regarding the audit process for the FY 2016 financial statements. The entrance conference was subsequently held on April 20, 2016.

As in prior years, 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 information technology (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. This phase of the audit began on May 10, 2016, and consisted of LSC conducting follow-up on all outstanding recommendations from prior years' audits.

Interim audit testing of financial reporting controls began on July 25, 2016. During this phase of the audit, LSC held meetings 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 meetings were 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 to notify governance of any new issues identified for the current year's audit.

LSC will start final testing in October, and the auditor is on track to have the report issued by November 15, 2016.

Audit of Contract Management and Oversight

Assignment Number: OIG-16-02

Status: In Progress

The **Audit of Contract Management and Oversight (OIG-16-02)** is in progress. The audit was part of the OIG's FY 2016 work plan. Preliminary planning tasks have been conducted and the planning phase is in progress. During the preliminary planning phase, we interviewed the former Contracting Officer (CO), who was scheduled to separate from the agency prior to the start of the audit. We also reviewed the current policy and procedure documents from the FEC's Procurement Office related to monitoring agency contracts.

In addition, several Contracting Officer Representatives (COR), two of the agency's procurement staff, and the temporary Contracting Officer, hired to fill the CO vacancy, were interviewed. Based on the results from the interviews, the OIG is in the process of conducting a contract management specific risk assessment to analyze the potential risk factors faced by the agency in this audit area.

OIG AUDIT FOLLOW-UP ACTIVITY

OIG Review of Outstanding Recommendations as of August 2016

Assignment Number: OIG-16-05

Status: Released September 2016

<http://www.fec.gov/fecig/documents/Final-OIGReviewofOutstandingRecommendationsasofAug.2016.pdf>

The OIG semiannually provides the Commission with the status of outstanding recommendations detailing the follow-up work conducted by the OIG and the status of the outstanding OIG audit and inspection recommendations. For this reporting period, we reviewed the following six audits and inspection reports that contained a combined total of 75 outstanding recommendations:

- *Audit of the Commission's Property Management Controls;*
- *2010 Follow-up Audit of Privacy and Data Protection;*
- *2010 Follow-up Audit of Procurement and Contract Management;*
- *Inspection of the FEC's Disaster Recovery Plan and Continuity of Operations Plans;*
- *Audit of the FEC's Office of Human Resources; and*
- *Inspection of the FEC's Compliance with FMFIA/OMB A-123.*

The OIG was only able to close only three recommendations that were included in the *Audit of the FEC's Office of Human Resources (OIG-12-05)*. However, a noteworthy accomplishment identified during the most recent audit follow-up review of the *Inspection of the FEC's Compliance with FMFIA/OMB-A123*

was that the FEC's A-123 Task Force finalized the new internal control review process, along with the assessment template and instructions, in time for program offices to complete the FY 2016 annual internal control review to comply with OMB's new A-123 guidance.

OIG SPECIAL PROJECTS

Root Causes of Low Employee Morale Study

Assignment Number: OIG-15-06

Status: Released July 2016

Report Location: <http://www.fec.gov/fecig/documents/RootCausesofLowEmployeeMoraleStudy-FinalReport-OIG-15-06.pdf>

The **Root Causes of Low Employee Morale Study – OIG-15-06** was also completed and released during this reporting period. The OIG undertook this project to discover the root causes of low employee morale at the FEC, which had been consistently reflected in past annual Federal Employee Viewpoint Survey conducted by the OPM. Job Performance Systems, Inc. (JPS) was selected to perform the study. JPS conducted individual interviews with senior management, Commissioners, and specific office heads. They also maintained office hours to enable FEC employees to meet privately with the JPS consultants to express their opinions and concerns about the morale at the FEC. The OIG was pleased with the overwhelming participation by FEC staff and their willingness to share their views. Focus groups were also convened, and an agency wide electronic survey was developed to enable all FEC staff to provide input into the study.

A report issued in July 2016 identified five major categories of causes of low employee morale at the FEC: Commissioners, Senior Management (below the level of Commissioner), Communication, Accountability, and Other Causes. For example, the report found that many employees felt that the tone and attitude set at the top of the agency by Commissioners was poor, and that Commissioners did not value their work. Similarly, many employees reported they did not trust senior managers, saw them as ineffective, and had concerns about favoritism and retaliation. Employees

reported a lack of communication throughout the agency that created information vacuums often filled by rumors, and that poor performing managers and employees were not held accountable. Other causes of low morale cited by employees included a perceived lack of diversity and lack of career development.

FEC/OIG CyberSecurity Act of 2015 Reporting Requirements under Section 406 – Federal Computer Security Report

Status: Released August 2016

With the assistance of Leon Snead & Company, the OIG completed the *FEC/OIG CyberSecurity Act of 2015 Reporting Requirements under Section 406 – Federal Computer Security* report. The CyberSecurity report was completed in accordance with the *CyberSecurity Act of 2015*, title IV, section 406 – *Federal Computer Security – Inspector General Reports on Covered Systems*. Work included inquiries to management regarding the processes followed as related to each section, and information provided by the Office of Chief Information Officer was compared for consistency. The final report was distributed to the Chairman and Ranking Member of the House Committee on Oversight and Government Reform.

FY 2017 Annual Work Plan

Status: Released October 2016

Report Location: <http://www.fec.gov/fecig/documents/OIGFY2017WorkPlan-FINAL.pdf>

The OIG released its FY 2017 Annual Work Plan. The work plan was derived from the OIG risk assessment of agency programs. A two-day brainstorming session was held earlier in the year, in which the OIG staff reviewed the risk assessment, made necessary adjustments and reviewed any information provided by agency management and other FEC staff members. Based on the results of the sessions, the OIG's work plan was created.



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 and 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 have an investigation initiated, referred to management or another agency, or closed with no further action taken.

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 will not 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 FEC 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 IG.

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. In 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 campaign finance violation but falls under the purview of another FEC component or government agency 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 created a category for “hotline inquiries” that do not meet the criteria for hotline complaints.

During this reporting period, thirteen hotline complaints were received, six hotline complaints were closed, and thirteen hotline complaints currently remain open.

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 either prepares a report that sets forth the allegations and an objective description of the facts developed during the investigation, or depending on the circumstances, a closing memorandum to the file.

Three investigations were opened during this reporting period, none were closed, and ten remain open.



ADDITIONAL OIG ACTIVITY

Not only did the office continue to move forward conducting various work products - the OIG performs an array of additional projects and activities. The IG also reviews and provides comments, when appropriate, on legislation provided by the Council of Inspectors General on Integrity and Efficiency's (CIGIE) Legislative Committee.

Listed below are examples of the OIG's additional activities during this reporting period:

- An OIG senior auditor continues to serve as planning coordinator for the *Digital Accountability and Transparency Act of 2014* (DATA Act) working sub-group. The work group, composed of various CIGIE and GAO members, continues to meet on a bi-weekly and/or monthly basis to discuss issues pertaining to the A-123 Task Force.
- During the previous reporting period, the OIG created and posted the vacancy announcement for the newly created position of Inspector General Specialist. During this reporting period, the OIG welcomed Shayla Walker to the OIG as the new IG Specialist. Shayla has many duties, but her main function is to assist the OIG investigative and audit staff with projects and assignments.



COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY (CIGIE)

The IG is an active member of the Executive Council, which is composed of the Chair, Vice Chair, the immediate past Chair and Vice Chair, an at-large member, and all CIGIE Committee Chairs. The Executive Council provides guidance on CIGIE initiated projects, the operating plans for each fiscal year, and the general business of CIGIE. As a member of the Executive Council, the IG reviewed and rated nominees proposed to receive specific CIGIE awards. The IG is also a member of the Professional Development Committee and Vice Chair of the Budget Committee.

As part of the CIGIE Training Institute's New Leaders program, the IG participates in "Lunch with the IG" sessions. The IG covers various subjects pertaining to leadership, CIGIE and issues that may impact the IG community.



OIG CONTACTS

OIG contacts run the gamut, from citizens expressing their views or trying to reach the right FEC component to graduate students doing research. Contacts requesting information concerning where to submit a complaint or concern are directed to the appropriate FEC component or other agency. Other citizen contacts are handled and responded to as appropriate for the circumstances.

The table below is a reflection of the total contacts received by the OIG for the past six months – April 1, 2016 through September 30, 2016. These contacts were made through various sources such as telephone calls, emails, faxes, U.S. mail, and personal visits to the OIG. Those forwarded for action were referred to another FEC component and/or appropriate outside source.

Total Contacts	OIG Action	No Action Necessary	Forwarded for Action
1,961	41	1,905	15

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, 2016 – September 30, 2016:

MEETINGS:

Host / Sponsor	Topic / Subject
Council of Inspectors General on Integrity and Efficiency (CIGIE)	Monthly Meetings Executive Council Meetings Budget Committee Meetings Professional Development Committee Meetings Quarterly Unique IG Meetings
Council of Counsels to the Inspectors General	Monthly Meetings Small OIG Working Group Meeting
Government Accountability Office	Data Act Working Group Joint Meetings
Federal Election Commission	Bi-weekly Directors' Meetings with IG, Acting GC, SD & Acting CFO Finance Committee Meetings New Employee Orientations

TRAINING/CONFERENCES:

Host / Sponsor	Topic / Subject
Council of the Inspectors General on Integrity and Efficiency	2016 Annual Inspector General Conference New Leaders Training Understanding Audit, Inspection, and Evaluation Standards FAEC Procurement Audit Conference GAO Financial Statement Audit Conference DATA Act Readiness Review Workshop
Association of Government Accountants	Professional Development Conference
Association of Certified Fraud Examiners	27th Annual ACFE Global Fraud Conference
Department of Treasury	JFMIP Federal Financial Management Conference
George Washington University	Federal CyberSecurity Update 2016
Executive Women in Government	Executive Women in Government 13th Annual Leadership Forum
Potomac Forum, LTD	Advanced Internal Controls in Government Training Workshop V
Institute of Internal Auditors	Increasing Effectiveness of Audits: Mitigating Risk Surrounding a Lack of Communication in Audits 2016 Leadership Training District Workshop Mid-Atlantic District #3
Federal Election Commission	IT Security Awareness Training Hatch Act Training Building Better Team Communications (EEO Webinar) Foreign National Fund (open agenda)

REPORTING REQUIREMENTS

Reporting requirements required by the <i>Inspector General Act of 1978</i> , as amended by the <i>Inspector General Act Amendments of 1988</i> are listed below:		
IG ACT	DESCRIPTION	PAGE
Section 4(a)(2)	Review of Legislation	10
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)	18
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)	16
Section 5(a)(9)	Recommendations that Funds be put to Better Use (Table II)	17
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	28	1
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 ¹	29
Audit of the Federal Election Commission's Office of Human Resources	OIG-12-05	07/13	26	18	8
Inspection of FEC's Compliance with FMFIA/ OMB Circular A-123	OIG-14-01	06/14	8	0	8

Cumulative Total Of Outstanding Recommendations 75

¹ 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 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 a full complement of Commissioners – Matthew S. Petersen, Chair; Steven T. Walther, Vice Chair; Commissioners Lee E. Goodman; Carolyn C. Hunter; Ann M. Ravel; 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

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.