



SEMIANNUAL REPORT TO CONGRESS
OCTOBER 1, 2018 – MARCH 31, 2019

MAY 2019



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

OFFICE OF THE CHAIR

May 23, 2019

The Honorable Nancy P. Pelosi
Speaker of the House of Representatives
H-232 Capitol Building
Washington, D.C. 20515

Dear Madam 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 October 1, 2018 through March 31, 2019.

During this reporting period, the FEC's OIG completed, with the assistance of contract auditors, the annual audit of the FEC's financial statements. We are pleased to report that the Commission received an unqualified opinion on the required statements: the FEC's Balance Sheet as of September 30, 2018 and 2017, and the related Statements of Net Costs, Changes in Net Position, Budgetary Resources, and Custodial Activity for the years then ended. This marks the tenth consecutive year with no material weaknesses identified. The auditors raised issues pertaining to Information Technology security that do not rise to the level of a material weakness, but nonetheless merit attention by the Commission. The response of FEC management to those issues appears in the report, which was issued on November 15, 2018.

During this reporting period, the FEC's OIG also completed its *Review of Outstanding Recommendations as of February 2019* in March 2019. The response of FEC management to the issues raised in the OIG reports appears in the OIG's earlier reports and in subsequent Corrective Action Plans.

The Commission also notes that it posted a new vacancy announcement for the Inspector General position. The application period for this vacancy announcement closed on May 6, 2019. The Commission anticipates the hiring process—from the time the vacancy announcement closes until the date a permanent Inspector General is selected—will take approximately three to four months. With assistance from the Council of Inspectors General for Integrity and Efficiency (CIGIE), the Commission has selected an Acting IG to serve while the Commission completes the hiring process for a permanent

Letter to the Hon. Nancy P. Pelosi
May 23, 2019
Page 2

IG. Tony Baptiste of the Commodity Futures Trading Commission's Office of Inspector General will begin as Acting FEC IG on May 28, 2019.

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* are being provided to the Chairmen and Ranking Members of the FEC's oversight committees.

On behalf of the Commission,



Ellen L. Weintraub
Chair

MANAGEMENT REPORT ON
INSPECTOR GENERAL ISSUED REPORTS
WITH QUESTIONED COSTS
FOR THE SIX-MONTH PERIOD ENDING MARCH 31, 2019

	<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 MARCH 31, 2019

	<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	4
OIG Hotline Information	5
OIG Investigative Information	6
Additional OIG Activity	7
Council of the Inspectors General on Integrity and Efficiency (CIGIE) Activity	8
OIG Contacts	9
List of Training, Meetings and Conferences Attended by OIG Staff	10
Reporting Requirements	12
Table I – Questioned Costs	14
Table II – Funds Put To Better Use	15
Table III – Summary Of Audit And Inspection Reports With Corrective Actions Outstanding For More Than Six Months	16
Table IV – Summary of Investigative Reports	17
Appendix A: Peer Review Results	18
Appendix B: Review of Outstanding Recommendations as of March 2018	19
Appendix C: The Federal Election Commission Office of the Inspector General	20

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. The honesty, integrity, and diligent work of our entire IG staff make the accomplishments of the OIG possible.

During this semiannual reporting period, the Deputy IG (DIG) position became vacant due to James Cameron Thurber's resignation on November 9, 2018. In addition, Ms. Brenda Bowie was selected prior to the departure of the former DIG as the Special Assistant to the IG and joined the OIG staff on February 4, 2019.

The FEC OIG has been without a permanent or Acting IG since March 2017. The OIG was led in part by the DIG prior to his resignation. Since the DIG's departure, the OIG has been operating under a limited scope. The absence of an IG and DIG during this reporting period is impeding on the mandatory requirements of the *IG Act* and the supporting OIG administrative actions. Some critical examples are as follows:

- **FY 2019 Financial Statement Audit** – There is a high risk that the FEC's mandatory annual financial statement audit cannot be completed to render an audit opinion of the agency's financial statements by the November 15 deadline, as mandated by the *Accountability Tax Dollar Act of 2002*. The absence of an IG or DIG prevents

approval of an audit contract for an independent public accounting firm to conduct the 2019 financial statement audit. The FEC's former independent public accountant firm, Leon Snead & Company, is no longer in business due to its founder's retirement. As of the closing of this SAR reporting period, there may not be enough time to potentially hire a contractor and also adequately complete a full audit by the mandated November 15 deadline. If the audit is not completed, in compliance with applicable government auditing standards, it will have an impact on FEC's FY 2019 audit opinion.

- **DATA Act Audit** – With the absence of an Acting IG, the mandatory *DATA Act* audit cannot be completed because the current office staff does not have the required authority to approve the necessary audit workpapers and final report.
- **Open Audits** – The OIG cannot fully complete or open new audits or reviews planned or reported in our FY 2019 work plan without an Acting IG to approve audit plans, workpapers, or final reports. The OIG has continued to work on existing audits in a limited capacity. Therefore, there are no audits closed this reporting period.
- **Investigating Criminal and Administrative Allegations** – The OIG has continued to open hotline and investigations as allegations are forwarded to the office as required by the *Inspector General Act*. However, due to the absence of a permanent IG or Acting IG, the office has limited its scope regarding document requests, has not issued needed subpoenas and other information that requires an authorizing signature. The lack of an Acting IG has impeded the process of sufficiently conducting investigations. As a result, some leads and information submitted to the OIG have become dormant. However, the OIG has continued to work on investigations in a limited capacity.

- **Finalizing Investigative Reports** – The OIG has not released any final Reports of Investigations because the reports require an Acting IG signature. Therefore, there were no investigative reports closed this reporting period.
- **Peer Reviews** - In the absence of an Acting IG, the OIG would have to postpone receiving the upcoming audit and investigative peer reviews. Additionally, the OIG would not be able to participate in conducting peer reviews as required by audit and investigative standards.
- **Budget/Contract Execution** - As the highest ranking member of the OIG, the Counsel to the IG, has requested and received budget information. The Counsel is limited in oversight of the budget and cannot approve or make budgetary decisions. In addition, the OIG has not extended or approved any current or new contracts. As a result, some contracts, which are used in support of OIG daily operations, have lapsed or are in jeopardy of lapsing as the new fiscal year approaches.
- **Personnel Actions** - Due to the absence of an IG and DIG, current staff did not receive a mid-year review and are in jeopardy of not having an annual performance review completed for the current fiscal year. In addition, the new Special Assistant to the IG has not had an annual performance plan developed or approved since coming onboard February 2019. As yearly reviews are finalized in July, the Office of Personnel Management (OPM) requires that employees' performance be reviewed by a manager who has held the capacity for at least three months. In order to comply with OPM requirements, a permanent or acting IG would have to be hired before April 30 to conduct yearly reviews of staff.
- **Required Professional Training** – OIG Auditors and the Counsel/Investigator are required to take continuing education courses to maintain professional credentials and meet applicable professional standards. The applicable staff is not able to take many of the mandatory courses as they require payment approval by the IG or Acting IG.

The former DIG and current FEC OIG staff have expressed our concerns to the FEC Commissioners regarding the absence of an Acting or Permanent IG, and the need for this position to be filled on an acting or permanent basis. Despite all the above, the OIG staff is committed to performing its duties to the fullest extent possible given the current structure of the office. The staff also continues to be involved and make contributions to the Federal IG community through various CIGIE working groups and have been engaged with FEC staff following up on audit recommendations, and conducting oversight of management policies and procedures. Additional details pertaining to each activity (e.g., audits, hotline, and investigations) can be found in subsequent sections of this report.

OIG Audit Activity

Audit of Contract Management and Oversight

Assignment Number: OIG-16-02

Status: On Hold

As noted in our prior SAR, the OIG extended the due date of the *Audit of Contract Management and Oversight* due to resource constraints and various OIG mandates. Due to the required extension, the OIG planned to provide FEC management with identified audit issues after the completion of each audit section by the end of the first quarter of FY 2019. However, the OIG was unable to complete this task due to the departure of the Deputy Inspector General in November of 2018. As the IG and the Deputy IG are the only two positions authorized to approve audits and all associated workpapers, and the Commission has not appointed a permanent or Acting IG, the OIG has been unable to complete these audit tasks. This audit is currently on hold until a permanent or Acting IG is appointed.

Counsel to the IG and the OIG's Senior Auditor, as the IG's Counsel reviews all final OIG reports prior to distribution, and the OIG's Senior Auditor contractually has primary oversight of the FY 2018 financial statement audit as the OIG's Certified Contracting Officer Representative.

Audit of the FEC's FY 2018 Financial Statements

Assignment Number: OIG-18-01

Status: Completed

During this reporting period the independent public accountants, Leon Snead & Company (LSC), completed final testing and issued the agency's FY 18 financial statement audit report. Management was issued the draft report for review and comment and the exit conference was held on November 9, 2018 to discuss the draft report and audit findings. LSC determined that the FEC's financial statements were presented fairly, in all material respects, but also reported a significant deficiency in internal controls related to information technology security.

The audit report contained nine audit recommendations, and a management letter was also provided to management related to reconciling trading partner transactions. Due to the IG vacancy and the Deputy IG's resignation from FEC, the final audit report was signed and distributed on behalf of the OIG by the

OIG Audit Follow-up Activity

Office of Inspector General's Review of Outstanding Recommendations as of February 2019

Status: Completed

The OIG provides the Commission with a semiannual report of outstanding recommendations that contains details of the follow-up work conducted by the OIG and the status of the outstanding OIG audit and inspection recommendations. In the absence of a permanent or acting Inspector General, the OIG provided the Commission with a copy of all the corrective action plans (CAP) for each open OIG report, in lieu of an official report on March 29, 2019.

For this review, we continued follow-up with management regarding the following seven (7) open audits and inspections, containing a combined total of 50 outstanding recommendations as of August 2018:

- 2010 Follow-up Audit of Privacy and Data Protection (*outstanding 8 years*)
- 2010 Follow-up Audit of Procurement and Contract Management (*outstanding 7 years*)
- Inspection of the FEC's Disaster Recovery Plan and Continuity of Operations Plans (*outstanding 6 years*)
- Audit of the FEC's Office of Human Resources (*outstanding 5 years*)
- Inspection of the FEC's Compliance with FMFIA/OMB A-123 (*outstanding 4 years*)
- Audit of the FEC Telework Programs (*outstanding 2 years*)
- Required Review Under the *DATA Act* (*outstanding 1 year*)

Since the OIG's last report, we were able to close a total of seven recommendations; three from the *2010 Follow-up Audit of Privacy and Data Protection*, two recommendations from the *Audit of the FEC Telework Programs*, and two from the *Inspection of the FEC's Compliance with FMFIA/OMB A-123*. As a result of these closures, collectively there are 43 outstanding recommendations remaining from the seven open OIG reports.

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 or meritless. 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, 13 new hotline complaints were opened and 21 hotline complaints were closed; eight hotline complaints 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, regulations, and policies. 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 OIG Hotline Information, 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.

During this reporting period eight new investigations were opened, no investigations were closed, one was referred to DOJ for criminal prosecution and 12 investigations remain open. As the IG and the Deputy IG are the only two positions authorized to approve the closure of investigations and the Commission has not appointed a permanent or acting IG, the OIG has been unable to close pending investigations. The closure of investigations are currently on hold until a permanent or acting IG is appointed.



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 *Inspector General Act of 1978*, as amended (*IG Act*), legislation compiled by the Commission's Congressional Affairs office that may affect agency programs and operations is reviewed by the OIG. The *IG Act* 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.

The Inspector General also reviews and provides comments, when appropriate, on legislation provided by the Council of Inspectors General on Integrity and Efficiency (CIGIE) Legislative Committee. In addition, the Inspector General routinely reads all Commission agenda items.

During this reporting period, there are no additional OIG activities to report.

Council of the Inspectors General on Integrity and Efficiency

Prior to his departure, Deputy Inspector General J. Cameron Thurber, attended CIGIE meetings, as well as meetings of the Professional Development Sub Committee and Small/Unique OIGs. He also instructed CIGIE's IG Authorities training course. Counsel to the Inspector General has attended CIGIE monthly meetings in the absence of the permanent or acting IG. In addition, OIG staff members continue to attend CIGIE breakout meetings for auditors, counsels, and investigators.



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 – October 1, 2018 through March 31, 2019. 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
3,874	332	3,447	95

List of Training, Meetings and Conferences

The chart listed below depicts training, meetings, programs, seminars, and/or conferences attended by the IG and the OIG staff for the period October 1, 2018 – March 31, 2019:

MEETINGS:

Host / Sponsor	Topic / Subject
Council of Counsels to the Inspectors General	FOIA Working Group Monthly Meetings IG Management Meeting Small OIG Working Group
Council of Inspectors General on Integrity and Efficiency (CIGIE)	CIGIE DAWG Common Methodology FAEC DAWG and GAO Quarterly Coordination Meetings CIGIE ERM Working Group FAEC FY2019 DATA Act Common Methodology Workshop Planning
Federal Election Commission	Bi-weekly Directors' Meetings with IG, Acting GC, SD & Acting CFO Finance Committee Meetings New Employee Orientations Administrative Liaison Groups Meetings
Institute of Internal Auditors	IIA DC Chapter 70th Anniversary Event Committee Volunteering as DC Chapter Officer

TRAINING/CONFERENCES/PRESENTATIONS:

Host / Sponsor	Topic / Subject
Association of Certified Fraud Examiners	2018 Law Enforcement and Government Anti-Fraud Summit Why People Stray Off the Straight & Narrow and The Many Faces of Fraud
Council of the Inspectors General on Integrity and Efficiency	5th Annual Leadership Conference FY2019 FAEC DATA Act Common Methodology Workshop 2018 CIGIE Leadership Forum: The Next 40 Years: Innovation, Collaboration, and Culture
Federal Election Commission	Active Shooter EEO No Fear Act Training FEC Occupant Emergency Plan FEC Privacy Training Hatch Act Mandatory Training Information Security Awareness Inspector General Act and Fraud Awareness Mandatory Ethics Training Service Animals Etiquette Training Sexual Harassment Prevention for Federal Employees Transit Benefit Program Workplace Safety
Federal Employment Law Training	EEOC Training
General Services Administration	SmartPay Purchase Card Training SmartPay Travel Card
Institute of Internal Auditors	IIA DC Chapter 2018 All Star Conference The Future of Fraud Risk Management
Wolters Kluwer	CCH TeamMate Conference

Reporting Requirements

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

IG ACT	Description	Page
Section 4(a)(2)	Review of Legislation	3
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)	16
Section 5(a)(4)	Matters Referred to Prosecuting Authorities	17
Section 5(a)(5)	Summary of Instances Where Information was Refused	None
Section 5(a)(7)	Summary of Significant Reports	6
Section 5(a)(8)	Questioned and Unsupported Costs (Table I)	14
Section 5(a)(9)	Recommendations that Funds be put to Better Use (Table II)	15
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	N/A
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	N/A
Section 5(a)(10)(C)	Summary of Audit Reports Issued Before the Start of the Reporting Period for which There Are Outstanding Unimplemented Recommendations	19; App. B
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	18; App. A

IG ACT	Description	Page
Section 5(a)(17), (18)	Investigative Reports Table and Metrics (Table IV)	17
Section 5(a)(19)	Investigations Involving a Senior Government Employee with Substantiated Misconduct	None
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 (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				Cost Savings
		Issue Date	Number	Closed	Open	
2010 Follow-up Audit of Procurement and Contract Management	OIG-10-02	06/11	29	28	1	0
2010 Follow-up Audit of Privacy and Data Protection	OIG-10-03	03/11	45	25	20	0
Inspection of the Federal Election Commission’s Disaster Recovery Plan and Continuity of Operations Plans	OIG-12-06	01/13	30	23	7	0
Audit of the Federal Election Commission’s Office of Human Resources	OIG-12-05	07/13	26	23	3	0
Inspection of FEC’s Compliance with FMFIA/ OMB Circular A-123	OIG-14-01	06/14	8	6	2	0
Audit of the FEC’s Telework Programs	OIG-15-03	06/16	11	4	7	0
Required Review under the DATA Act	OIG-17-05	11/17	4	1	3	0

Cumulative Total of Outstanding Recommendations: 43
 Total Cost Savings: 0

Table IV

Summary of Investigative Reports

	Number
Total Number of Investigative Reports Issued	0
Total Number of Persons Referred to DOJ for Criminal Prosecution	1
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	0

Metrics Used for Developing Data for Table IV:

The Total Number of Investigative Reports Issued reflects the number of all Reports of Investigation (ROI) issued to FEC management, the Department of Justice, or State and local prosecuting authorities during the reporting period;

The 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 presentations of individuals for criminal prosecution made by the FEC OIG to the respective criminal prosecuting authorities during the reporting period;

The Total Number of Indictments and Criminal Informations 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 *Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010* (Section 989C of P.L. 111-203), which amended Section 5 of the *Inspector General Act of 1978*, OIGs are required to include in their semiannual reports (SAR) to Congress the results of peer reviews of their offices, as well as outstanding and not fully implemented recommendations from peer reviews the OIG received from another OIG, and outstanding and not fully implemented recommendations the OIG made in any peer review it performed for another OIG.

The last audit peer review of the FEC OIG was conducted by the Farm Credit Administration OIG and the report was issued on February 15, 2017. No recommendations were included in the last peer review report and there are no outstanding recommendations from previous peer reviews. The last investigation peer review of the FEC OIG was conducted by the Securities and Exchange Commission and the report was issued December 20, 2016. The FEC OIG's current audit and investigation peer review period ends on September 30, 2019. During the absence of an IG or DIG, the OIG would have to postpone receiving the upcoming audit peer reviews. Additionally, the OIG would not be able to participate in conducting Peer Reviews as required by audit and investigative standards.

OIG Peer Review Activity

During this reporting period, there are no peer review results to report.

Appendix B

In the absence of a permanent or acting Inspector General, the OIG provided the Commission with a copy of all the corrective action plans (CAP) for each open OIG report, in lieu of an official report on March 29, 2019. Therefore, no outstanding recommendations report as of February 2019 will be included in this SAR.



Appendix C

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 four Commissioners and two vacancies – Ellen L. Weintraub, Chair; Matthew S. Petersen, Vice Chair; and Commissioners Steven T. Walther and Caroline C. Hunter.

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 1050 First Street, N.E., Suite 1010, 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.