



United States Election Assistance Commission Office of Inspector General



Semiannual Report to Congress
April 1, 2021 — September 30, 2021

Message from the Inspector General



Brianna Schletz
Inspector General

I am pleased to present the U.S. Election Assistance Commission (EAC) Office of Inspector General (OIG) Semiannual Report to Congress for the period of April 1, 2021, through September 30, 2021, in accordance with Section 5 of the Inspector General Act of 1978, as amended.

It was an honor to be appointed as EAC's Inspector General in November 2021. Though I have only been at EAC briefly, I have been impressed with the dedication and commitment of the Commissioners and staff, and I have respect for the important mission and role of EAC to help election officials improve the administration of elections and help voters participate in elections.

OIG's mission is to enhance the economy, efficiency, and effectiveness of EAC's operations. We do that primarily by performing internal reviews and assessments of EAC programs and operations, contracting for audits with independent public accounting (IPA) firms, and acquiring services from other Federal agencies. For this 6-month period, we issued one internal performance audit report, *Audit of the U.S. Election Assistance Commission's Purchase Card Program*. We also engaged with IPA firms to initiate three statutory audits of EAC's internal programs and operations, and eight grant audits of Help America Vote Act payments for: Arizona, California, Delaware, Georgia, Indiana, Ohio, Pennsylvania, and Washington. OIG also completed its FY 2021 peer review during this 6-month period.

The modified peer review concluded that our established audit policies and procedures for the year ending March 31, 2021, were current and consistent with applicable professional standards as stated and no significant findings were reported. The review noted several non-material areas for improvement that will be a focus of my immediate attention.

In the coming year, I look forward to updating EAC OIG's strategic plan to focus on improving our processes, performance, and communication with stakeholders. My goal is to immediately address the peer review recommendations for improving OIG policies and to ensure continued and increased production of audits, investigations, and evaluations in a thorough, objective manner in accordance with applicable standards. Furthermore, I am committed to working closely with the Commissioners, EAC management, and Congress to ensure that decision makers have timely information.

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Election Assistance Commission Profile

Congress established the U.S. Election Assistance Commission (EAC or Commission) through the passage of the Help America Vote Act (HAVA) of 2002 (Pub. L. 107-252). EAC is an independent, bipartisan commission that serves as a national clearinghouse and resource for the compilation of information and review of procedures for the administration of Federal elections. The President appoints and the Senate approves the four commissioners authorized by HAVA, who each serve four-year terms.

EAC's principal duties include maintaining a national clearinghouse of information on election administration; testing and certifying, decertifying, and recertifying voting systems; adopting voluntary voting system guidelines; and administering grants authorized by HAVA. From inception to 2011, EAC had distributed over \$3 billion in grants to the 50 United States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam and American Samoa (hereinafter referred to as "states"). States have used the funds to purchase voting equipment, establish statewide voter registration lists, implement provisional voting, educate voters, train officials and poll workers, improve polling places, and recruit poll workers. The Consolidated Appropriations Act, 2018 (Pub. L. 115-141) and 2020 (Pub. L. 116-93) collectively appropriated an additional \$805 million¹ for payments to the states, which included payments to the Commonwealth of the Northern Mariana Islands beginning with the 2020 appropriation. The \$805 million is for activities to improve the administration of elections for Federal office, including enhancing election technology and making election security improvements, as authorized by sections 101, 103, and 104 of HAVA. In addition, via the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. 116-136), Congress appropriated \$400 million to EAC as additional grant funding for states to prevent, prepare for, and respond to coronavirus, domestically or internationally, for the 2020 Federal election cycle. Learn more at www.eac.gov.

Office of Inspector General Profile

Created in 2005, the Office of Inspector General is an independent division of the U.S. Election Assistance Commission. HAVA required the appointment of an Inspector General (IG) for EAC and amended the Inspector General Act (IG Act) of 1978 (5 U.S.C.A. App. 3) to identify EAC as a Designated Federal Entity (DFE). During this 6-month period, OIG consisted of one full-time employee, the Deputy Inspector General. EAC's former IG retired from federal service on March 31, 2021. Shortly after the semiannual period, the Inspector General role was filled effective November 22, 2021, and the Deputy Inspector General resigned effective November 18, 2021.

OIG is currently recruiting to fill an Audit Director position and plans to engage the OIG community to fill a detail position for an audit advisor through the Council of the Inspectors General on Integrity and Efficiency (CIGIE). For the reporting period, OIG leveraged its staff resources and contracting provisions to perform the duties required of the IG under the IG Act.

¹ Individual appropriations were \$380 million (Election Reform Program) in 2018 and \$425 million (Election Security Grants) in 2020.

Audits, Inspections, and Evaluations

During the 6 months ended September 30, 2021, OIG issued one discretionary audit report on EAC's purchase card program and initiated three statutory audits and eight HAVA grant audits. Final reports are publicly accessible via [EAC OIG's website](#) and on [Oversight.gov](#).

Audit of the U.S. Election Assistance Commission's Purchase Card Program

OIG engaged Brown and Company, LLC (Brown & Co.), an independent public accounting (IPA) firm, to conduct a performance audit of EAC's purchase card program in accordance with Government Auditing Standards (GAS). The audit was performed to fulfill OIG's requirements under the Government Charge Card Abuse Prevention Act of 2012 (Public Law 112-194). The audit objectives were to ensure:

- Internal purchase card policies and procedures are formally documented, consistent with OMB Circular A-123, Appendix B, and communicated to provide reasonable assurance of preventing illegal, improper, or erroneous transactions, to include disciplinary actions,
- Purchase card program activity is operating in compliance with all applicable sections of OMB Circular A-123, Appendix B and EAC's own internal policies, and
- Controls over purchase card activity (purchases and payments) are designed, implemented, and operating effectively to ensure only valid and authorized transactions are processed.

The [final audit report](#) was issued on April 5, 2021 and included one audit finding and recommendation. The report identified that EAC had a lack of sufficient documentation to support program activity. Brown & Co. recommended that EAC enhance its documentation, monitoring, and enforcement of its file management procedures over the purchase card program.

Ongoing Work During the Semiannual Period

Below is a list of audit work that commenced during the semiannual period:

- **Audit of EAC's Fiscal Year 2021 Financial Statements**
- **Audit of EAC's 2021 Compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act).** The objectives of the audit are to assess (1) the completeness, timeliness, accuracy, and quality of the EAC's fiscal year 2020 third quarter financial and award data submitted for publication on USAspending.gov and (2) EAC's implementation and use of the Government-wide financial data standards established by OMB and Treasury.
- **Audit of EAC's Compliance with the Federal Security and Modernization Act of 2014.** The objective is to determine whether EAC's Office of Information Technology (OIT) implemented selected management, technical, and operational controls outlined in the National Institute of Standards and Technology Special Publication 800-53, Revision 4, *Security and Privacy Controls for Federal Information Systems and Organizations*.

- **Audits of the Administration of Grant Payments Received Under the Help America Vote Act.** In June 2021, OIG contracted an IPA firm to conduct audits of the HAVA grant funds appropriated by Congress in fiscal years 2018 and 2020, and grants distributed prior to 2011 that have been reissued as new awards by EAC. The audits will cover the expenditures and obligations of HAVA Requirement Payments and Election Security grants from the date of award through September 2020, and the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) grants expended through December 31, 2020.

OIG selected eight states: Arizona, California, Delaware, Georgia, Indiana, Ohio, Pennsylvania, and Washington. OIG selected the states generally based on risk factors derived from attributes applied across all states, such as size of award, amount of spending, and prior audit results. The objectives of the audits are to determine whether states (1) used funds for authorized purposes in accordance with Section 101 and 251 of HAVA and other applicable federal requirements; (2) properly accounted for and controlled property purchased with HAVA payments; and (3) used the funds in a manner consistent with the informational plans provided to EAC.

In addition to the above stated objectives, for the State of California, the contractor will specifically evaluate the procurement of, and test invoices related to, the State's award that was the subject of a complaint. Additional testing will also occur for the State of Washington to follow up on two hotline complaints related to the use of CARES Act funding.

Investigations and Whistleblower Retaliation

EAC OIG does not have investigative staff but maintains a hotline voicemail and email mailbox that receives complaint form submissions from our website and direct email complaints. EAC OIG works with Department of Justice's Public Integrity Section and its Federal Bureau of Investigation contacts to refer any potential criminal acts related to federal elections and voter fraud that are received.

OIG did not issue any investigative reports during this semiannual reporting period. We did not perform or report on any investigations involving senior Government employees during the period. OIG also did not become aware of any instances of whistleblower retaliation during the semiannual period.

Summary of Outstanding Recommendations

OIG has 6 reports containing 10 open recommendations for which EAC management or its grantees had not completed final corrective actions. This table presents a summary for each audit, inspection, or evaluation report issued before the commencement of the semiannual period for which there are any outstanding unimplemented recommendations. One of the open recommendations has \$224,620 in potential cost savings.

<i>U.S. Election Assistance Commission's Policy Review, August 2017, I-PA-EAC-03-17</i>	
Recommendation	Status as of September 30, 2021
1) Enhance the records management system to document EAC's decisions, operations, policies, procedures, and practices.	According to EAC management, it has made efforts to enhance its records management system. A year-long effort was undertaken to collect and document all policy votes of the commissioners going back to the beginning of the agency. This included reviewing transcripts of meetings for oral votes and searching and reviewing paper and electronic records for tally votes. This has resulted in a documented history of decisions and policies of EAC. Oral votes are now documented with a written and certified record describing the oral vote taken. Staff are currently updating the standard operating procedures for EAC's records management program. Additionally, EAC has recently executed a contract for the development of additional operating policies and procedures. EAC General Counsel is currently reviewing the General Records Schedules to determine if any agency specific records schedules are needed.
<i>FY 2018 U.S. Election Assistance Commission's Compliance with the Requirements of the Federal Information Security Modernization Act (FISMA), November 2018, I-PA-EAC-02-18</i>	
Recommendation	Status as of September 30, 2021
2) Remediate configuration related vulnerabilities in the network identified and document the results or document acceptance of the risks of those vulnerabilities.	EAC reported it is implementing a remediation schedule for addressing open vulnerabilities. Additionally, EAC is in the process of tracking these vulnerabilities and their remediation plans or risk acceptance in its updated plan of actions and milestones workbook. This recommendation remains open until OIG confirms corrective action during the FY 2021 FISMA audit.
<i>FY 2019 U.S. Election Assistance Commission's Compliance with the Digital Accountability and Transparency Act of 2014, November 2019, I-PA-EAC-07-19</i>	
Recommendation	Status as of September 30, 2021
3) Develop and implement procedures to validate the accuracy of data reported.	In June 2020, EAC developed and issued two documents: (1) the EAC Data Act Guide, and (2) EAC procedures for USA Spending Reporting. This recommendation remains open until the OIG confirms corrective action during the FY 2021 DATA Act audit.

<i>FY 2020 U.S. Election Assistance Commission's Compliance with the Requirements of the Federal Information Security Modernization Act (FISMA), December 2020, I-PA-EAC-02-20</i>	
Recommendation	Status as of September 30, 2021
4) Ensure Data Owners sign user access recertifications.	EAC reported that it has obtained and provided user access recertifications. This recommendation remains open until OIG confirms corrective action during the FY 2021 FISMA audit.
5) Implement Domain-based Message Authentication, Reporting & Conformance (DMARC) policy and HTTP Strict Transport Security (HSTS) controls required by the Department of Homeland Security Binding Operational Directive 18-01.	EAC reported that it has worked with General Services Administration personnel (the Domain Name System provider) to rectify the DMARC configuration issues. This recommendation remains open until OIG confirms corrective action during the FY 2021 FISMA audit.
<i>Administration of Payments Received Under the Help America Vote Act by the Kentucky State Board of Elections, March 2021, E-HP-KY-10-20</i>	
Recommendation	Status as of September 30, 2021
6) EAC require the Board provide either an allocation of the program income based on the proportional benefit or based on a documented basis for allocation.	The recommendation remains open pending EAC review of the allocation method expected by September 30, 2021.
7) EAC require the Board to include all items purchased with federal funds on an inventory listing that is compliant with state laws and procedures.	The recommendation remains open pending submission of the completed, updated inventory expected by November 1, 2021.

Administration of Payments Received Under the Help America Vote Act by the Florida Department of State, March 2021, E-HP-FL-09-20	
Recommendation	Status as of September 30, 2021
8) EAC review the Office's calculation of lost interest and require the Office to deposit to the Election Security grant fund the amount of interest funds lost due to the delay in interest being earned.	The recommendation remains open pending EAC confirmation that lost interest has been restored, expected by October 30, 2021. Note: The potential cost savings associated with this recommendation is \$224,620 in lost interest. Recoveries of HAVA funds are accomplished by the state depositing monies in the State fund required by HAVA to be established in each state.
9) Perform a reconciliation of the grant activity for the Election Security funds and ensure that all expenditures and program income earned are fully disclosed.	This recommendation remains open pending EAC review of the reconciliation, expected by November 30, 2021.
10) Prepare and submit a revised financial report to the EAC	This recommendation remains open pending submission of revised Federal Financial Reports, expected by November 30, 2021.

Peer Review Activity

Section 989C of the Dodd-Frank Act contains additional semiannual reporting requirements pertaining to peer review reports. Federal Inspectors General are required to engage in peer review processes related to both their audit and investigative operations. In keeping with Section 989C, EAC OIG is reporting the following information related to its audit peer review activities. These activities cover our roles as both the reviewed and the reviewing OIG.

In 3-year cycles, CIGIE coordinates peer reviews of each OIG's audit organization. CIGIE's peer review program tests an OIG's system of quality control in accordance with the *CIGIE Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*.

EAC OIG Peer Review

EAC OIG's peer review commenced on May 12, 2021, for the 3-year period ending March 31, 2021. OIG's Modified Peer Review was performed by the U.S. Federal Labor Relations Authority (FLRA) OIG, and the final peer review report was issued by the FLRA IG to EAC's Deputy IG on July 19, 2021.² The [final report](#) is posted on our website, and concluded that the established policies and procedures for the

² The objective of a Modified Peer Review is to determine whether the reviewed OIG's established audit policies and procedures are current and consistent with applicable professional standards.

audit function as of March 31, 2021, were current and consistent with applicable professional standards as stated.

The review report did not cite any deficiencies. However, EAC OIG received a Letter of Comment that included two findings with recommendations to improve its established policies and procedures. Specifically, EAC OIG had not completed annual quality assurance reviews as intended in GAS and several sections of the policies and procedures need to be updated to conform with GAS.

Peer Review of the Federal Election Commission Conducted by EAC OIG

EAC OIG performed a Modified Peer Review of the Federal Election Commission (FEC) OIG's established policies and procedures for the audit function in effect as of September 30, 2019. FEC OIG's final peer review report was issued by the EAC IG to the FEC IG on December 30, 2020. The report included one finding and one recommendation. EAC OIG's review concluded that the established policies and procedures for the audit function as of September 30, 2019, were not current and thus were not fully consistent with applicable professional standards. EAC OIG issued one recommendation that FEC OIG perform a comprehensive review of the Audit Manual and revise its policies and procedures to conform to the 2018 version of GAGAS.

In accordance with the *CIGIE Implementing Guidance for OIG Reporting of Peer Review Results in Semiannual Reports to the Congress*, EAC OIG coordinated with FEC IG to request a status update on its prior peer review report. In response to EAC OIG's request, the FEC IG confirmed that FEC OIG has completed a draft revision of its audit manual, and the manual is currently under management review.

Semiannual Reporting Requirements of the IG Act

The following table lists the requirements under the Inspector General Act of 1978, as amended, a description of the requirement, and the page number in the report where the requirement is addressed. We also note requirements where we have nothing to report.

Requirement Under the IG Act	Description	Page in report
§5(a)(1)	Description of significant problems, abuses, deficiencies related to the administration of programs and operations	3
§5(a)(2)	Recommendations for corrective action made during the reporting period	3
§5(a)(3)	Significant recommendations described in previous semiannual reports on which corrective action has not been completed	5-7
§5(a)(4)	Summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted	Nothing to report
§5(a)(5)	Summary of matters referred to the head of the agency under section 6(c)(2) (refusal of assistance)	Nothing to report
§5(a)(6)	Listing of reports issued during the reporting period	3
§5(a)(7)	Summary of significant reports	3
§5(a)(8)	Statistical table showing questioned/unsupported costs	Nothing to report
§5(a)(9)	Statistical tables showing funds put to better use	Nothing to report
§5(a)(10)(A)	Summary of audit reports issued before the commencement of the reporting period for which no management decision has been made	Nothing to report
§5(a)(10)(B)	Summary of audit reports for which the agency has not returned comment within 60 days of receipt of the report	Nothing to report
§5(a)(10)(C)	Summary of audit reports for which there are outstanding unimplemented recommendations, including aggregate potential cost savings of those recommendations	5-7
§5(a)(11)	Significant revisions to management decisions made during the reporting period	5-7
§5(a)(12)	Significant management decisions with which the Inspector General is in disagreement	Nothing to report
§5(a)(13)	Information described under section 804(b) of the Federal Financial Management Improvement Act of 1996	Nothing to report
§5(a)(14-15)	Status of EAC OIG Peer Review and Applicable recommendations	7-8
§5(a)(16)	Status of Peer Reviews conducted by EAC OIG	8



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