

United States Election Assistance Commission

Office of Inspector General



Semiannual Report to Congress
October 1, 2021 – March 31, 2022

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www.eac.gov/inspector-general

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 October 1, 2021, through March 31, 2022, in accordance with Section 5 of the Inspector General Act of 1978, as amended.

Since my appointment as EAC's Inspector General in November 2021, I continue to be impressed with the dedication of the Commissioners and EAC workforce. They have demonstrated resiliency and commitment to EAC's mission during a time of leadership transition. I'm inspired by the important mission of EAC—to help election officials improve the administration of elections and help Americans participate in the voting process. OIG's mission is to safeguard the Federal investment in our electoral system by conducting objective and meaningful oversight of EAC and its programs.

During this 6-month period, we issued three audit reports and responded to one Congressional correspondence. In February, we began the mandatory annual review of EAC's Compliance with the Payment Integrity Information Act. We continue to monitor the independent public accounting firm that is conducting eight audits of Help America Vote Act (HAVA) grants for: Arizona, California, Delaware, Georgia, Indiana, Ohio, Pennsylvania, and Washington. Additionally, we announced audits of North Carolina's and Northern Mariana Islands' administration of Coronavirus Aid, Relief, and Economic Security (CARES) Act and HAVA Election Security funds, which we will perform with our own staff. Finally, we entered into interagency agreements for investigative and legal services with Department of Interior OIG and AbilityOne Commission OIG, respectively.

During this semiannual reporting period we updated our [strategic plan](#) and established measurable goals to help the OIG reach its vision of operating as a high-performing organization and helping EAC be as efficient and effective as it can be. I am focused on improving OIG processes, performance, and collaboration with stakeholders. As a first step, we have addressed the areas for improvement received during our last audit peer review and updated many OIG policies and procedures. The updated investigations procedures manual has already helped streamline and categorize the disposition of hotline complaints which are now included in this report on page 5. I look forward to continuing to identify ways to improve our processes and increase transparency.

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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 4-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 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 and territories"). States and territories 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 million for payments to the states and territories, 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 the states and territories to prevent, prepare for, and respond to coronavirus, domestically or internationally, for the 2020 Federal election cycle.

Most recently EAC received \$75 million in 2022 HAVA Election Security Grant funds to be awarded to states and territories. The purpose of this award is to "improve the administration of elections for Federal office, including to enhance election technology and make election security improvements." Learn more at www.eac.gov.

Office of Inspector General Profile

Created in 2005, the Office of Inspector General is an independent division of EAC. 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. During this 6-month period, OIG has reached two full-time employees, the Inspector General role was filled effective November 22, 2021, and the Audit Director position was filled February 28, 2022. OIG continues to leverage its staff resources, contracts for audits with independent public accounting (IPA) firms, and acquire services from other Federal agencies to perform the duties required under the IG Act.

Audits, Inspections, and Evaluations

During the 6 months ended March 31, 2022, OIG issued three mandatory audit reports and one correspondence. OIG has eight ongoing HAVA grant audits being conducted by an IPA firm and initiated one mandatory review and two discretionary audits. Final reports are publicly accessible via [EAC OIG's website](#) and on [Oversight.gov](#).

Audit of the U.S. Election Assistance Commission's Fiscal Year 2021 Compliance with the Requirements of the Federal Information Security Modernization Act

OIG engaged Brown and Company, LLC (Brown & Co.), an IPA firm, to conduct an audit of EAC's compliance with the requirements of the Federal Information Security Modernization Act (FISMA) for fiscal year (FY) 2021. The audit objective was to determine whether EAC implemented selected security controls for certain information systems in support of FISMA.

The [final audit report](#) was issued on November 2, 2021, and included seven recommendations to strengthen its information security program of which EAC agreed with five. For two recommendations, EAC partially agreed with the recommendation. The report identified that EAC generally complied with FISMA requirements by implementing security controls.

Audit of the U.S. Election Assistance Commission's Compliance with the Digital Accountability and Transparency Act of 2014

OIG engaged Brown and Company, LLC (Brown & Co.), an IPA firm, to conduct an audit of EAC's compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act). The audit objectives were to assess (1) the completeness, timeliness, quality, and accuracy of EAC's FY 2020 quarter three financial and award data reported by EAC, and (2) the implementation and use of government-wide financial data standards as established by the Office of Management and Budget and U.S. Department of Treasury, as applicable.

The [final audit report](#) was issued on November 5, 2021, and included two recommendations. Both recommendations are closed, and corrective action has been implemented. The report identified that EAC's information in USAspending.gov for FY 2020, Quarter 3, ending June 30, 2020, did not include the required financial assistance award data. EAC's procurement data was complete and timely, but the IPA firm identified errors related to the accuracy of the procurement data. Based on the results of audit testing, EAC received a quality score rating of 70.62 out of 100 for the FY 2020 Quarter 3 data submission and a quality rating of "Moderate" in accordance with the DATA Act.

Audit of the U.S. Election Assistance Commission's Financial Statements for Fiscal Year 2021

OIG engaged Brown and Company, LLC (Brown & Co.), an IPA firm, to conduct an audit of EAC's financial statements for FY 2021.

The [final audit report](#) was issued on November 12, 2021. The audit found, in Brown & Co.'s opinion, the financial statements present fairly, in all material respects, the financial position of EAC as of September 30, 2021, and 2020, and its net costs, changes in net position, budgetary resources, and custodial activities for the years then ended, in accordance with U.S. Generally Accepted Accounting Principles. Brown & Co. reported no material weaknesses in control and no instances of noncompliance with laws, regulations, or significant provisions of contracts or grant agreements.

Response to Concerns Regarding State of California's Use of EAC Funds

In response to concerns regarding the State of California's use of EAC funds, EAC OIG reviewed actions EAC officials took in response to the complaint, how the contract was awarded, whether costs under the contract were allowable, and EAC grant guidance and procedures.

The [correspondence](#) was issued on February 9, 2022. OIG found that based on the evidence reviewed, the California Secretary of State's Office executed the contract in accordance with EAC guidelines, and funds were not used for unallowable costs such as registration drives. We identified opportunities for EAC to improve the depth of its grant management and mitigate the risk of unallowable expenditures.

The audit of the administration of California's grant payments received under HAVA is ongoing and details are described in the section below.

Ongoing and Initiated Work During the Semiannual Period

Below is a list of audit work that was ongoing as of October 1, 2021:

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 FYs 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 CARES Act grants expended through December 31, 2020.

OIG selected eight states: Arizona, California, Delaware, Georgia, Indiana, Ohio, Pennsylvania, and Washington. 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.

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

Review of EAC's Compliance with the Payment Integrity Information Act of 2019. The objective is to determine whether EAC complied with the Payment Integrity Information Act of 2019 for FY 2021.

Audit of the Administration of CARES Act and HAVA Election Security Funds for North Carolina and the Northern Mariana Islands. The audit objectives are to determine whether North Carolina and the Northern Mariana Islands (1) used funds for authorized purposes in accordance with applicable requirements, (2) properly accounted for and controlled property purchased with EAC funds, and (3) used funds for intended purposes. We will also determine whether North Carolina complied with requirements for state matching.

As part of receiving EAC funds, recipients are required to provide progress and annual reports. These reports are part of EAC's oversight process to ensure grant funds are spent appropriately. North Carolina and the Northern Mariana Islands were selected for an audit based on failure to return required reports timely.

Investigations and Whistleblower Retaliation

During this semiannual period EAC OIG entered into an interagency agreement for investigative services with the Department of Interior (DOI) OIG. In the event EAC OIG receives allegations that require further review or encounter fraud indicators during an audit, EAC OIG works with DOI OIG to determine whether to open an investigation.

EAC OIG maintains a hotline voicemail and email mailbox that receives complaint form submissions from our website and direct email complaints. EAC OIG works with the Department of Justice's (DOJ) 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. DOJ's Public Integrity Section oversees the investigation and prosecution of federal crimes affecting government integrity, including election crimes.

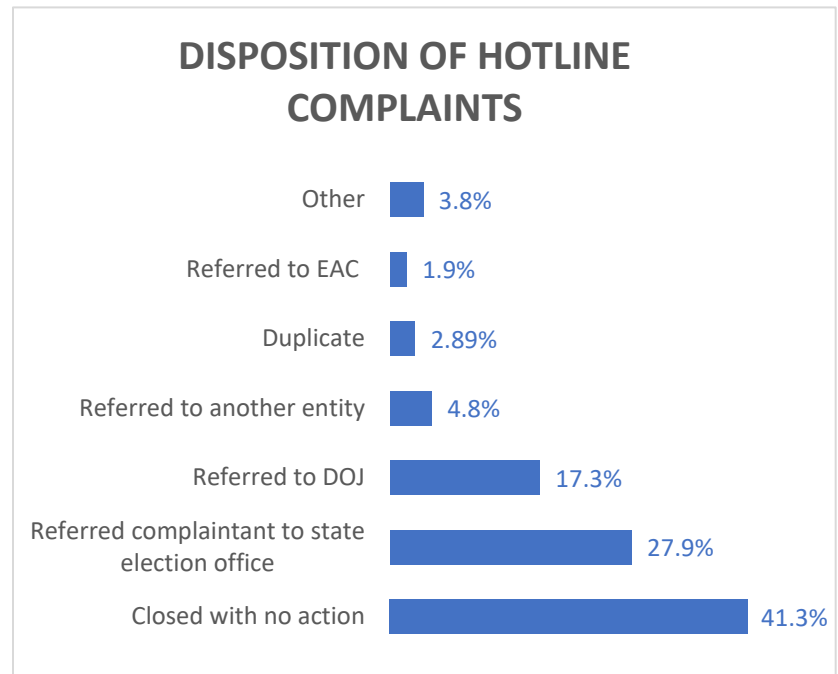
The [Election Crimes Branch](#) within the Section supervises the nationwide response to election crimes, such as voter fraud and campaign-finance offenses. When we receive complaints that are not within EAC OIG's jurisdiction but are related to election crimes, such as voter fraud we forward the information to DOJ without assessing whether it is a viable complaint.

DOJ's Election Crimes Branch supervises the nationwide response to election crimes, such as voter fraud.

The authority and responsibility to administer elections is specifically reserved for the states and territories. When EAC OIG receives complaints related to voter registration or administration of elections, we refer the complainant to the appropriate state election office.

During the semiannual period we received 104 complaints—40 from the online form, 38 from email, 25 from the hotline, and 1 complaint by mail. Of the 104 complaints, we referred 18 to the DOJ and 29 complainants were referred to state election officials, representing 45% of the complaints received. There were 43 complaints that were closed with no action. Generally, these complaints did not deal with EAC programs or grants and therefore were not within EAC OIG’s purview, or there was not enough information to refer the complainant to an appropriate entity. The figure demonstrates the disposition of complaints received by EAC OIG at the end of the semiannual reporting period. The “other” category includes areas that are being considered for evaluation and those we are still researching. The items referred to EAC were informational inquiries.

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.



Questioned Costs, Unsupported Costs, and Funds Put to Better Use

During this semiannual period, OIG issued procedural recommendations. We did not issue any reports with recommendations for questioned or unsupported costs, or funds put to better use. EAC closed one recommendation during the period resulting in \$142,100 of funds put to better use. In response to OIG’s recommendation, Florida restored lost interest of \$142,100 with additional state match. The interest lost was due to the federal funds not being deposited in the State Election Fund when they were first received as required.

Summary of Outstanding Recommendations

During this semiannual period, EAC closed many of OIG's open recommendations. As of March 31, 2022, OIG has 1 report containing 1 open recommendation issued prior to the commencement of this reporting period for which EAC management or its grantees had not completed final corrective actions. The open recommendation is procedural and does not have potential cost savings associated with it.

<i>U.S. Election Assistance Commission's Policy Review, August 2017, I-PA-EAC-03-17</i>	
Recommendation	Status as of March 31, 2022
Enhance the records management system to document EAC's decisions, operations, policies, procedures, and practices.	EAC continues to report progress on this recommendation. Specifically, the Office of the General Counsel (OGC) created a draft Records Management Standard Operating Procedure (SOP) in 2021 which aims to supplement records retention schedules approved by the National Archives and Records Administration (NARA). OGC will work with the Office of Chief Information and Security Officer (OCIO) and the Executive Director's office in reviewing this SOP, disseminating General Records Schedules to all divisions as needed, and drafting new schedules for NARA approval. OGC is also working with OCIO and the Executive Director to improve overall management of the records program. The anticipated implementation date of the SOP is October 2022.

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 modified peer review for the 3-year period ending March 31, 2021 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. The [final report](#) is posted on our website, and concluded that the

established policies and procedures for the 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 established policies and procedures. Specifically, EAC OIG had not completed annual quality assurance reviews and several sections of the policies and procedures need to be updated to conform with standards. During this semiannual period, EAC OIG issued a new standard operating procedure for conducting annual quality monitoring reviews and completed the first review under the new standards. Additionally, EAC OIG is in the process of updating its audit manual to address the second recommendation.

Peer Review of the National Endowment for the Humanities OIG Conducted by EAC OIG

EAC OIG is scheduled to conduct a Peer Review of the National Endowment for the Humanities (NEH) OIG. The objectives of this review are to determine whether, for the 3-year period ending March 31, 2022, the audit organization's system of quality control was suitably designed and whether the organization is complying in all material respects with its system of quality control. We expect to issue the final report by the due date of September 30, 2022.

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	Nothing to report
§5(a)(2)	Recommendations for corrective action made during the reporting period	3-4
§5(a)(3)	Significant recommendations described in previous semiannual reports on which corrective action has not been completed	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	3-4
§5(a)(7)	Summary of significant reports	3-4

§5(a)(8)	Statistical table showing questioned/unsupported costs	Nothing to report
§5(a)(9)	Statistical tables showing funds put to better use	6
§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	7
§5(a)(11)	Significant revisions to management decisions made during the reporting period	Nothing to report
§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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