



SEMIANNUAL REPORT TO CONGRESS  
OCTOBER 1, 2009 – MARCH 31, 2010

MAY 2010

Federal Election Commission - Office of Inspector General  
999 E Street, N.W. Suite 940, Washington, D.C. 20463



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

OFFICE OF THE CHAIRMAN

May 24, 2010

The Honorable Nancy Pelosi  
Speaker of the House of Representatives  
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, 2009 through March 31, 2010. During this reporting period, the FEC's Inspector General 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 a clean unqualified opinion on the required statements: the FEC's Balance Sheet as of September 30, 2009, and the related Statements of Net Costs, Changes in Net Position, Budgetary Resources, and Custodial Activity for the year then ended. The auditors observed, however, two deficiencies in internal controls and one instance of noncompliance with the Debt Collection Improvement Act. The response of FEC management to the issues noted by the auditors appears in the report, which was issued on November 13, 2009. Since then, the Commission promulgated final regulations in April 2010 to address the noncompliance with the Debt Collection Improvement Act.

During the semiannual period, the OIG completed and released the Audit of the Commission's Property Management Controls. This audit was released in March 2010 and identified five findings of internal control weaknesses. Management's responses to each of the 36 recommendations are discussed in detail in that audit report, and management looks forward to improving internal controls as discussed in that report.

The Commission appreciates and shares the Inspector General's commitment to sound financial and management practices, and we anticipate a continued cooperative working relationship as management takes appropriate measures to improve operations of the Commission.

Letter to the Hon. Nancy Pelosi  
May 24, 2010  
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Copies of the *Semiannual Report* are being provided to the Chairmen and Ranking Members of the FEC's oversight committees.

On behalf of the Commission,



Matthew S. Petersen  
Chairman

Enclosure

MANAGEMENT REPORT ON  
INSPECTOR GENERAL ISSUED REPORTS  
WITH QUESTIONED COSTS  
FOR THE SIX-MONTH PERIOD ENDING MARCH 31, 2010

	<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, 2010

	Number of <u>Reports</u>	Funds to be Put <u>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



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Office of Inspector General

A Message from the Inspector General

It has been another fruitful six months for the Office of Inspector General. I would like to commend all of the staff for the effort they have expended in accomplishing our goals so far this fiscal year. The annual financial statement audit, with the assistance of contract auditors, was completed. The OIG also completed an audit of the FEC's management over property such as Blackberries and cell phones. Our recommendations will ensure that management has sufficient internal controls in place to adequately monitor these resources and their usage.

We also made significant inroads in processing our hotline complaints and investigations. A new intake process is in place that ensures timely evaluations of complaints as they are received. This process also takes into consideration the availability of OIG resources. An update of the OIG Investigations Manual is nearing completion. During this reporting period, two investigations conducted by the OIG were forwarded to management.

Again, I would like to thank the OIG employees for their diligence as they accomplish the work of the OIG. I look forward to the future accomplishments of the office and our role in assisting the Federal Election Commission in accomplishing its mission in an efficient and effective manner.

A handwritten signature in black ink that reads "Lynne A. McFarland".

Lynne A. McFarland  
Inspector General  
Federal Election Commission

April 30, 2010

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## EXECUTIVE SUMMARY

The *Inspector General Act of 1978*, as amended, states that the Inspector General is responsible for conducting audits, inspections, investigations, and recommending policies and procedures that promote economic, efficient, and effective use of agency resources and programs that prevent fraud, waste, abuse and mismanagement. The IG act also requires the Inspector General to keep the Commission 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 Office of Inspector General, as well as relevant information regarding additional OIG activities. The executive summary highlights the most significant activities of the OIG. Additional details pertaining to each activity can be found in subsequent sections of this report.

**Audit of the FEC's Fiscal Year 2009 Financial Statements – OIG-09-01** was completed and released November, 2009 and can be found on the OIG's Website at <http://www.fec.gov/fecig/financial09.pdf>. Under a contract monitored by the OIG, certified public accountants, Leon Snead & Company (LSC) performed the audit of the FEC's FY 2009 financial statements. The OIG was responsible for oversight of the financial statement audit, this includes: 1) reviewing the auditor's approach and planning of the audit; 2) evaluating the qualifications and independence of the auditors; 3) monitoring the work of the auditors; 4) examining audit documents and reports to ensure compliance with Government Auditing Standards, and OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended; and 5) other procedures the OIG deems necessary to oversee the contract and audit.

The contract required LSC to issue an opinion regarding whether the FEC's financial reports and supplemental information were fairly presented in all material respects in accordance with Generally Accepted Accounting Principles. In addition, LSC audited internal controls and compliance with laws and regulations for matters relevant to the financial statement audit. LSC also prepared a management letter documenting a deficiency in internal controls that was not required to be included in the public audit report, but that the audit firm considered necessary to communicate to the Commission and management.

LSC identified two (2) deficiencies in internal controls; one (1) noncompliance with laws and regulations; and provided 17 recommendations to FEC management for the 2009 financial statement audit. LSC expressed a clean unqualified opinion for the 2009 financial statements. The final audit report was released November 13, 2009.


The **Audit of the Commission's Property Management Controls – OIG-09-02** was also completed and released during this reporting period and can be found at <http://www.fec.gov/fecig/property.pdf>. The audit was conducted based upon an OIG developed strategic audit plan for the agency, and previously reported misuse of FEC property. The audit included a review of personal communication devices (PCDs, which include Blackberry devices and cellular telephones), FEC vehicles and fleet charge cards. The scope of the audit was from fiscal year 2007 to 2010. Audit testing included review of FEC's policies and procedures; walkthroughs of daily business processes; detailed analysis of PCD users' voice and data activity; an employee mobile survey; review of detailed fleet charge card transactions; and a review of FEC's standard driving patterns.

The OIG documented three (3) findings for PCDs and two (2) findings for fleet vehicles and fleet charge cards. Collectively, the OIG made 36 recommendations to address internal control weaknesses for FEC PCDs, fleet vehicles, and fleet charge cards. If all PCD program recommendations are implemented by management, the OIG projects a maximum cost savings to the agency of \$49,784.

For detailed information regarding the above audits, see the section entitled **OIG Audit Activity** (starting on page 5).

Upon conclusion of the semiannual reporting period, there are nine (9) hotline complaints open and in various stages (pending, in progress); five (5) new hotline complaints were opened; six (6) hotline complaints were closed. Currently there are six administrative investigations being conducted. For more information pertaining to hotline and investigation topics, see the sections entitled **OIG Hotline Information** and **OIG Investigations** (starting on page 7 and 8 respectively).

## THE FEDERAL ELECTION COMMISSION



In 1975, Congress created the Federal Election Commission (FEC) to administer and enforce the *Federal Election Campaign Act (FECA)*. 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, Chairman; Cynthia L. Bauerly, Vice Chairman; and Commissioners; Caroline C. Hunter; Donald F. McGahn II; Steven T. Walther, and Ellen L. Weintraub.

## OFFICE OF INSPECTOR GENERAL

The *Inspector General Act of 1978* (P.L. 100-504), as amended, states that the Inspector General is responsible for: 1) conducting and supervising audits and investigations relating to the Federal Election Commission'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.

## OIG AUDIT ACTIVITY

### **Audit of the Federal Election Commission's Fiscal Year 2009 Financial Statements**

*Assignment Number: OIG – 09-01*

*Status: Released November, 2009*

*<http://www.fec.gov/fecig/financial09.pdf>*

The *Chief Financial Officers Act of 1990* (Public Law 101-576, commonly referred to as the “CFO Act”), as amended, requires the FEC Office of Inspector General or an independent external auditor, as determined by the Inspector General, to audit the agency financial statements. Under a contract monitored by the OIG, Leon Snead & Company (LSC), an independent certified public accounting and management consulting firm was awarded a five year contract to audit the FEC’s financial statements for beginning in FY 2009.

LSC was contracted to conduct the financial statement audit following Generally Accepted Government Auditing Standards (GAGAS) and OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as revised. The OIG was responsible for oversight of the financial statement audit, which included: 1) reviewing the auditors’ approach and planning of the audit; 2) evaluating the qualifications and independence of the auditors; 3) monitoring the work of the auditors; 4) examining audit documents and reports to ensure compliance with GAGAS, and OMB Bulletin No. 07-04; and 5) other procedures the OIG deemed necessary to oversee the contract and audit.

The contract required LSC to issue an opinion regarding whether the FEC’s financial reports and supplemental information were fairly presented in all material respects in accordance with Generally Accepted Accounting Principles. In addition, LSC

audited internal controls and compliance with laws and regulations for matters relevant to the financial statement audit. LSC also prepared a management letter documenting a deficiency in internal controls that was not required to be included in the public audit report, but that the audit firm considered necessary to communicate to the Commission and management.

The audit was completed in four phases: planning; review and evaluation; testing; and reporting and work paper delivery. Throughout these audit phases, the OIG held bi-weekly status meetings with LSC and management to keep abreast of audit issues or concerns. In addition, the OIG coordinated and attended meetings with LSC and the FEC’s Chairman and Vice Chairman to discuss the audit objectives and progress of the audit. The OIG also reviewed all deliverables to include the notice of findings and recommendations, audit work papers, and the draft audit reports for the audit.

Upon completion of the final audit phase, LSC identified two (2) deficiencies in internal controls; one (1) noncompliance with laws and regulations; and provided seventeen (17) recommendations to FEC management for the 2009 financial statement audit. LSC expressed a clean unqualified opinion for the 2009 financial statements. The final audit report was released November 13, 2009.

## **Audit of the Commission's Property Management Controls**

*Assignment Number: OIG – 09-02*

*Status: Released March, 2010*

*<http://www.fec.gov/fecig/property.pdf>*

The OIG completed the Audit of the Commission's Property Management Controls and released the final report on March 31, 2010. The OIG conducted the audit based upon an OIG developed strategic audit plan for the agency, and previously reported misuse of FEC property. The scope of the audit was from fiscal year 2007 to 2010 and the audit was performed in accordance with generally accepted government auditing standards.

The audit included a review of personal communication devices (PCDs, which include Blackberry devices and cellular telephones), FEC vehicles and fleet charge cards. Audit fieldwork was conducted between September 1, 2009 and January 22, 2010 and testing included review of FEC's policies and procedures; an employee mobile device survey; review of detailed data for PCD activity; and review of fleet charge card transactions. Throughout the audit, the OIG auditors attended meetings with FEC management to discuss preliminary issues prior to issuing the OIG's final findings and recommendations.

The OIG's audit testing identified that the FEC needs to improve its policies and procedures governing PCDs, efficiently and effectively monitor the PCD program, and maintain adequate records to properly track and manage PCDs. Audit testing also showed there are insufficient management controls in place to detect or prevent employee fraud, waste and abuse of agency fleet vehicles and fleet charge cards. The OIG documented three (3) findings for PCDs and two (2) findings for fleet vehicles and fleet charge cards. Collectively, the OIG made 36 recommendations to address internal control weaknesses for FEC PCDs, fleet vehicles, and fleet charge cards. If all PCD program recommendations are implemented by management, the OIG projects a maximum cost savings to the agency of \$49,784.

## OIG HOTLINE INFORMATION:

The Office of Inspector General (OIG) established a hotline to enable employees and others to have direct and confidential contact with the OIG. The OIG receives complaints through various means such as U.S. mail, telephone, e-mail, fax, inter-office mail, and personal visits to the OIG. Once a hotline (HL) complaint has been received, a preliminary inquiry is conducted. When an evaluation has been completed, the hotline complaint may be closed with no further action taken, referred to management or another agency or an investigation may be initiated.

The OIG recently revised its policy for reviewing and evaluating hotline complaints. The policy was developed to guide the OIG's effort to ensure consistency and fairness in its case initiation decisions; and serves as a guide for the OIG to manage the increased case load in the number of hotline complaints. The policy defines "hotline complaints" as allegations or referrals of fraud, waste, abuse, mismanagement, and misconduct involving FEC employees/contractors, programs, operations, property, or funds.

The OIG considers many factors when evaluating whether to open an investigation based on a hotline complaint, and acknowledges that every allegation or complaint received by the OIG cannot be investigated. The policy includes evaluation considerations, such as the merits of an allegation, the availability of evidence; and the existing priorities, commitments, and resources of the OIG. Under this revised policy, hotline complaints shall be 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 an appropriate official for possible further review. Under this revised policy, hotline evaluation decisions are made by the Chief Investigator, with concurrence from the Deputy IG.

As this reporting period concludes, the OIG has nine (9) open hotline complaints in various stages (pending or in progress); this includes one hotline complaint resulting from an on-going criminal investigation; five (5) new hotline complaints were opened and six (6) hotline complaints were closed during this semiannual reporting period.



## OIG INVESTIGATIONS:

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. The OIG conducts a detailed examination or inquiry into issues brought to our attention by various sources. 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.

As of the end of the semiannual reporting period, there are six (6) open investigations – all are administrative investigations. During this semiannual period, two (2) reports of investigation were issued to the Commission. In one of the investigations, the FEC reached a settlement agreement with a contractor in connection with an OIG investigation.

## 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, all legislation compiled by the Commission's Congressional Affairs office is reviewed by the Inspector General. 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. Listed below are examples of the OIG's additional activities:

- The OIG began pre-audit planning preparation with the OIG's audit contractor, Leon Snead & Company to conduct the FEC's FY 2010 Financial Statement Audit (OIG-10-01). The logistics request form has been provided to LSC. The OIG contacted the Information Technology Division (ITD) to discuss plans to provide laptop and desk top computers for LSC staff. In addition, the entrance conference and financial statement status meetings have been scheduled.
- With assistance from the FEC's contracting office, the OIG worked on issuing a request for information (RFI) to prospective audit contractors to perform audit services in 2010 for the OIG. Specifically, the RFI sought responses from firms that have experience performing audit follow-up reviews for procurement and contract management, and privacy and data protection.
- The OIG worked on the implementation of a 4/10 pilot schedule. The OIG pilot program is based on a similar pilot program at the FEC. The OIG 4/10 Compressed Work Schedule Pilot program is an initiative allowing an eighty (80)


hour bi-weekly work requirement, for full-time employees, to be scheduled for less than 10 workdays. The OIG recognizes that the use of a 4/10 compressed work schedule has the potential to provide employees with more flexibility in their work lives, enhance employees' work/life balance, and improve employee morale and retention, while maintaining productivity levels and accomplishing the OIG's mission.

- The OIG completed its annual records management plan this period. The *Federal Records Act*, which governs agencies' records management responsibilities, states records include all books, papers, maps, photographs, machine-readable materials, or other documentary materials, regardless of physical form or characteristics, made or received by an agency of the United States Government under Federal law or in connection with the transaction of public business. Each record series must be scheduled for appropriate disposition. The OIG received an approved records disposition schedule/general records schedule. Utilizing the records disposition schedule, the OIG began preparing our files for destruction and/or shipment to the Federal Records Center/National Archives Records Administration.
- The OIG participated in an Enterprise Content Management (ECM) review of the FEC. The OIG assisted the contractor in understanding FEC's content management requirements and associated business processes including the needs of all FEC Business Offices; Requirements surrounding legal/discovery activities; Records Management and other Statutory/Regulatory requirements. A planning session was held to discuss OIG processes and business needs. A needs assessment spreadsheet was created describing hardware,

software, and data storage needs of the OIG. The information provided allowed the contractor to document the process flow for OIG audit and investigative activities.

- During this quarter the IG staff received new OIG credentials. The IG Counsel created an *OIG Credentials Policy*. The policy was created to provide proper guidance regarding the issuance, use, display, control, and accountability of official federal Inspector's General common credentials. The IG, or designee, shall approve and issue all OIG credentials, those who receive a credential must sign and date a credential receipt acknowledging possession.
- The OIG conducted several new employee orientations (NEO) during this reporting period. The NEO is designed to give new employees an overall look at the Commission's core divisions. The OIG introduces new employees to the office and details the responsibilities of the OIG and the employee's responsibilities as a federal worker.
- The OIG Hotline poster was recreated during this reporting cycle; the OIG upgraded the hotline poster to give it a more structured and professional appearance. The Hotline posters will be displayed throughout the Commission in an effort to encourage FEC employees, as well as Agency contractors, to report all allegations of fraud, waste, abuse, and/or mismanagement to the OIG.

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



The Inspector General has continued to be very involved in CIGIE. She is a member of the Executive Council, which is composed of the Chair, Vice Chair, the past Vice Chair of the PCIE, all Committee Chairmen and one member appointed by the Chair. The Executive Council provides guidance on CIGIE initiated projects, the operating plans for each fiscal year, and the standing up of the CIGIE and the training academies. The Council meets monthly to discuss issues that will affect CIGIE.

The Inspector General also Co-Chairs the Inspector General Candidate Recommendation Panel with the Justice Department Inspector General. This panel is charged with making recommendations of qualified candidates to the White House and heads of various federal agencies to be considered for vacant Inspector General positions.

The Inspector General is Vice Chair of the Professional Development Committee. This committee is charged with ensuring that there is strong, relevant training for the Inspector General community. Part of the charge of the committee, is to establish training academies for each of the professional designations in the IG community. This is an on-going project.

## OIG CONTACTS

The table below indicates the total amount of contacts received by the Office of Inspector General for the past six months – October 1, 2009 through March 31, 2010.

These contacts were made through various sources such as telephone calls, e-mails, faxes, U.S. mail, and personal visits to the OIG.

TOTAL CONTACTS	OIG ACTION	NO ACTION NECESSARY	FORWARDED FOR ACTION
<b>200</b>	<b>36</b>	<b>146</b>	<b>18</b>

## 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 October 1, 2009 – March 31, 2010.

HOST/SPONSOR	TOPIC/SUBJECT
<b>CIGIE</b>	Monthly Meetings Executive Council Meetings Professional Development Committee Meetings Introductory Auditor Training Annual Leadership Training Conference Financial Statement Audit Network (FSAN) Meetings Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspectors General
<b>Council of Counsels to the Inspectors General</b>	Monthly CCIG Meetings
<b>Assistant Inspector General for Investigations</b>	AIGI Fall 2009 Annual Conference AIGI Quarterly Meetings
<b>Association of Inspectors General (AIG)</b>	AIG Fall 2009 Conference
<b>Federal Audit Executive Council</b>	FAEC Conference
<b>Federal Dispute Resolution Conference</b>	FDR Conference
<b>Association of Certified Fraud Examiners</b>	ACFE Conference Procurement and Grant Fraud
<b>Association of Government Accountants</b>	Fifth Annual Performance Management Conference
<b>Executive Women in Government</b>	Writing Women back into History - Annual Summit & Training Conference
<b>Management Concepts</b>	Business Writing Training Appropriations Law Seminar
<b>Lincoln Leadership Institute</b>	Transformational Journey from Gettysburg
<b>DC Bar</b>	2010 White Collar Crime Conference

(cont.)

HOST/SPONSOR	TOPIC/SUBJECT
<b>Capitol.Net</b>	Effective Executive Briefing
<b>Human Resources Institute</b>	Upward Mobility For Federal Employees Training Introduction to Project Management Training
<b>USDA Graduate School</b>	Listening and Memory Development Training
<b>Scottsdale Seminars</b>	Business Writing Solutions
<b>Federal Election Commission</b>	Weekly Directors' Meetings Continuity of Operation Plan (COOP) Meeting Occupational Emergency Planning Team Meeting 2009 Computer Security Awareness Training FEC Hiring De-Mystified: Unlocking the Black-box of Hiring OIG Bi-weekly Staff Meetings Administrative Liaison Group Meeting Leadership Development Speakers Series Network Meeting Communication Skills For Successful Management Training (Skillsoft) Leadership and the Knowledge Worker Training (Skillsoft) Taking on a Management Role Training (Skillsoft) Preparing for Change Training (Skillsoft)

## REPORTING REQUIREMENTS

Reporting requirements required by the *Inspector General Act of 1978*, as amended by the *Inspector General Act Amendments of 1988* are listed below:

<b>IG Act</b>	<b>Description</b>	<b>Page</b>
Section 4(a)(2)	Review of Legislation	9
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	5
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

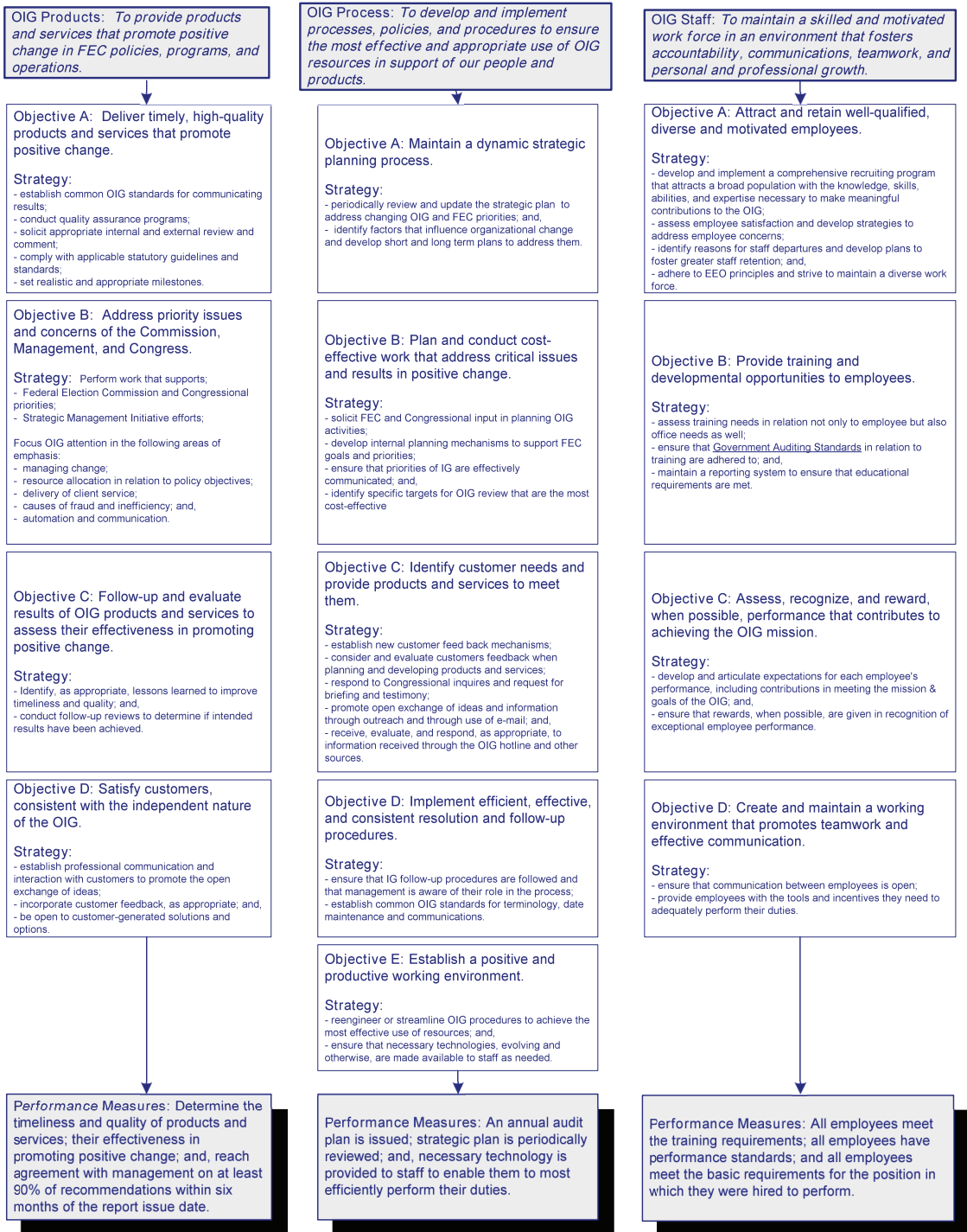
## TABLE III

## SUMMARY OF AUDIT REPORTS WITH CORRECTIVE ACTIONS OUTSTANDING FOR MORE THAN SIX MONTHS

REPORT TITLE	REPORT NUMBER	RECOMMENDATIONS			
		ISSUE DATE	NUMBER	CLOSED	OPEN
Audit of the FEC's Employee Transit Benefit Program	OIG-06-01	<b>02/07</b>	<b>{21}</b>	<b>0</b>	<b>{21}</b> *
2007 Performance Audit of Privacy and Data Protection	OIG-07-02	<b>12/07</b>	<b>7</b>	<b>0</b>	<b>7</b>
Audit of the FEC's FY 2008 Financial Statements	OIG-08-01	<b>11/08</b>	<b>19</b>	<b>13</b>	<b>6</b>
Audit Follow-up Review of the FEC's Employee Transit Benefit Program	OIG-08-03	<b>07/09</b>	<b>51</b>	<b>0</b>	<b>51</b>

\* These recommendations are now included in the *Audit Follow-up Review of the FEC's Employee Transit Benefit Program* (OIG-08-03) and will no longer be reported separately.

# FEC/OIG STRATEGIC PLAN - FISCAL YEARS 2005 – 2010



# Federal Election Commission Office of Inspector General

A close-up, high-contrast photograph of a human eye, looking directly at the viewer. The eye is the central focus, with the iris and pupil clearly visible. The surrounding skin and eyelashes are in soft focus.

## 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](mailto:oig@fec.gov)

Visit or write to us at 999 E Street, N.W., Suite 940, Washington DC 20463

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**Together we can make a difference.**