



OFFICE OF INSPECTOR GENERAL

**Semiannual Report to Congress
October 1, 2001 - March 31, 2002**

**Federal Election Commission
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Washington, DC 20463**

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EXECUTIVE SUMMARY

I am pleased to submit this semiannual report to Congress covering the period October 1, 2001 through March 31, 2002. This report reflects our efforts to remain in accordance with the requirements of the *Inspector General Act of 1978*, as amended, and summarizes the major activities and accomplishments of the Federal Election Commission (FEC), Office of Inspector General (OIG). The Executive Summary provides a brief synopsis of accomplishments and general activities as it relates to the Office of Inspector General. Our accomplishments were made possible by the dedicated efforts of a committed and professional staff.

During this reporting period the Office of Inspector General completed and released one special project report, one inspection report, and a follow-up report on a previously released inspection. An inspection report and one limited scope review was initiated.

The first report released by the Office of Inspector General was a special project report entitled ***FEC Retirement (OIG-01-09 - December, 2001)***. The purpose of conducting this special project was to provide an analysis of the Commission's projected employee retirements over the next ten years.

To obtain statistical data regarding the special project, the OIG reviewed retirement statistics from the Office of Personnel Management and the FEC's Personnel Office and Data Systems Development Division (DSDD). The data reviewed included current, five, seven, and ten year retirement eligibility for FEC staff. The OIG also obtained from OPM retirement projection figures which represent the expected future retirements for the FEC staff based on statistical calculations using prior FEC retirement trends and age profile of the FEC staff.

The OIG concluded that the risk associated with losing substantial numbers of employees to retirement is considerably less for the FEC than it is for the Federal government as a whole. However, the OIG found the potential loss of a large number of office heads over the next several years to be noteworthy. As of September 2001, 21% of the 24 office heads were eligible for regular retirement. At the end of calendar year 2006, 46% will be eligible for retirement; 67% by the end of calendar year 2008. Additional information regarding this project is located on page 11, the section entitled ***Special Projects.***

The second report completed and released during this reporting period, ***Inspection of the Commission's Occupant Emergency Plan (OEP) (OIG-01-10 - February, 2002)***, was performed to assess the Commission's emergency preparedness plan and program. An OEP is a facility's short term

response program for safeguarding lives and property during emergencies. Federal agency's that occupy space in federally-owned or GSA-leased facilities are required by Federal Property Management Regulations to establish and maintain an OEP.

The primary objectives of the inspection were to: 1) evaluate the Commission's OEP to determine whether the plan adequately meets all GSA requirements; 2) determine whether the Commission's OEP addresses the special needs of the physically challenged; and 3) determine whether the Commission's OEP is effectively communicated to staff. The OIG offered five suggestions to improve the Commission's OEP and believes that management's planned and completed actions will provide Commission employees the essential information needed to successfully evacuate the building during emergency situations. To obtain more information, see the section entitled ***Inspection Reports***, located on page 15.

Follow-up work on the inspection entitled, ***Inspection of the Commission's Westlaw Database Service (OIG-01-05 - July, 2001)***, was conducted during this reporting period. The Westlaw service provides FEC staff with on-line access to legal and business databases. The primary reasons for conducting the initial inspection were to: 1) ensure that the Westlaw accounts of separated staff are properly canceled; and 2) review

improper Westlaw financial payments to determine the cause and evaluate the payment process.

The purpose of conducting the follow-up was to determine whether corrective action had been taken to address the one recommendation contained in the original inspection report. The OIG concluded that management has taken steps to implement a process to monitor the receipt of goods and services to lessen the likelihood of duplicate payments to vendors. The single recommendation contained in the inspection report was closed. For more information on the follow-up work conducted, see the ***Inspection Follow-up*** section on page 20.

The OIG also initiated an inspection of the Federal Election Commission's subscription / publication services (***Inspection of the Commission's Subscription / Publication Services - OIG-02-01***) during this semiannual period. The purpose of conducting the inspection is to: 1) assess the adequacy of the level of funds expended for various publications; and 2) determine whether the current publication budget and expenditures accurately reflects the usage of these publications and whether or not these publications meet the needs of the Commission. Additional information regarding this inspection can be found on page 18, the ***Inspection Reports*** section.

Prior to the end of this reporting period, a review of the Commission's security cameras and building security was initiated (**Limited Scope Building Security Review - OIG-02-02**). The purpose of the review is to assess the effectiveness of the building security cameras and address the building security issues that arose concerning the theft of a laptop computer. Meetings have been held to discuss the issues surrounding the Commission's security camera recording system and the cameras were also reviewed to assess the quality of images provided by the cameras. Specific information regarding the limited scope review is located in the section entitled **Special Projects**, which is located on page 14.

The OIG provided assistance to the Federal Protective Service (FPS) in conducting an investigation involving the theft of Government property. An FEC laptop computer and carrying case was stolen from one of the divisions. The FEC reported the value of the laptop to be \$3,000. For further details, refer to the section entitled **Investigations**, found on page 23.

Listed below are highlights of additional activities conducted by the Office of Inspector General during this reporting period. Items are described in greater detail, starting on page 25, the section entitled **Additional Office of Inspector General Activity**.

- The OIG responded to a request from Senator Charles E. Grassley, regarding the SmartPay program and the misuse of government charge cards. The Senator expressed concerns regarding the program's effectiveness, as well as any fraud and misuse pertaining to the government charge cards. One of the Senator's biggest concerns was whether the agencies have adequate controls in place to ensure the honest use of government accounts and charge cards. Particularly troubling were reports of the government paying for employees' personal expenses because of unauthorized use of government charge cards.

Several steps were taken by the OIG to address the concerns contained in the request. The OIG prepared and submitted the response to Senator Grassley on October 16, 2002. For detailed information pertaining to the FEC OIG reply to this request, see page 25.

- The OIG responded to a request from a Special Agent of the Small Business Administration (SBA) Office of Inspector General (OIG) seeking information on a former FEC contractor. The SBA OIG received an allegation that the contractor misrepresented itself and received government contracts based on that misrepresentation.

Additional information, as it relates to the previous FEC contractor,
can be retrieved from page 28.

THE FEDERAL ELECTION COMMISSION

The Federal Election Commission (FEC) is an independent, regulatory agency responsible for administering and implementing the *Federal Election Campaign Act (FECA)*. The FEC is composed of six Commissioners who are appointed for six year terms by the President of the United States, with the advice and consent of the Senate. The FECA likewise established the positions of Staff Director and General Counsel, who are appointed by the Commissioners.

Prior to the end of this semiannual reporting period, a new Commissioner, Michael E. Toner, was appointed to the Commission. Commissioner Toner was sworn in on April 1, 2002, and replaces Commissioner Darryl R. Wold, whose term expired last April.

OFFICE OF INSPECTOR GENERAL

The Federal Election Commission is one of the thirty-three designated agencies required to have an Inspector General under the 1988 amendments to the *Inspector General Act of 1978* (P.L. 100-504).

The responsibilities of the Inspector General as stated in P.L. 100-504 are as follows:

- conduct and supervise audits and investigations relating to the Federal Election Commission's programs and operations;
- provide leadership, coordination, and to recommend policies for activities designed to promote economy, efficiency and effectiveness in the administration of Commission programs and operations. To prevent and detect fraud, waste and abuse in these programs and operations, and;
- keep the Commissioners and Congress fully and currently informed about problems and deficiencies and the need for and progress of corrective actions.

The OIG is under the supervision of the Inspector General who provides overall direction to the staff. The OIG staffing level for FY 2002 is four (4) full time employees. The staff consists of the Inspector General, the Special Assistant to the Inspector General and two Senior Auditors. Since FY'01, the OIG has requested funds to contract out for audit services. One of the benefits of using a contract audit firm would be to conduct more specialized audits, especially in the IT area where the staff expertise may not

be sufficient. Through this fiscal year, we have not been allotted any contract funds. The OIG again renewed this request for FY'03.

SPECIAL PROJECTS

TITLE: **FEC Retirement**

ASSIGNMENT #: **OIG - 01-09**

RELEASE DATE: **December, 2001**

WEBSITE ADDRESS: ***<http://www.fec.gov/fecig/retire.pdf>***

PURPOSE: The purpose of conducting this special project was to provide an analysis of the Federal Election Commission's (FEC) projected employee retirements over the next ten years.

Studies conducted by government oversight agencies such as the General Accounting Office (GAO) and the Office of Personnel Management (OPM) have predicted a potentially gloomy retirement scenario for the Federal government. This problem could significantly impact the Federal government's ability to manage its tasks and programs due to the possibility of large numbers of employees that may retire over a relatively short period of time.

The OIG reviewed retirement statistics obtained from OPM, the FEC's Personnel Office, and Data Systems Development Division (DSDD). The data reviewed included current, five, seven, and ten year retirement

Special Projects (continued)

eligibility for FEC staff. The OIG also obtained from OPM retirement projection figures which represent the expected future retirements for the FEC staff based on statistical calculations using prior FEC retirement trends and age profile of the FEC staff.

The retirement data reviewed included only regular retirement, not early retirement. Employees are generally able to voluntarily retire (regular retirement) under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) provided they meet one of the following scenarios: 1) are 55-59 years of age and have 30 or more years of service; 2) are 60-61 years of age and have 20 or more years of service; or 3) are 62 years of age and have 5 or more years of service.

The OIG concluded that the risk associated with losing substantial numbers of employees to retirement is considerably less for the FEC than it is for the Federal government as a whole. However, the OIG found the potential loss of a large number of office heads over the next several years to be noteworthy. As of September 2001, 21% of the 24 office heads were eligible for regular retirement. At the end of calendar year 2006, 46% will be eligible for retirement; 67% by the end of calendar year 2008.

Special Projects (continued)

The OIG believes the problem of the potential retirement of senior management over the next several years would benefit by incorporating human resources goals in future GPRA performance plans to ensure the FEC is successful in meeting its mission. The strategic planning requirements of the Government Performance and Results Act (GPRA) provide a useful framework for the FEC to integrate their human capital strategies with their strategic and programmatic planning - to identify the workforce size and skills mix needed for mission accomplishment and to create strategies to fill the gaps.

Special Projects (continued)

TITLE: **Limited Scope Building Security Review**

ASSIGNMENT #: **OIG - 02-02**

RELEASE DATE: **In Progress**

PURPOSE: The primary reason for conducting this limited scope building security review is to assess the effectiveness of the building security cameras and address the building security issues that arose concerning the theft of a laptop computer.

Up to this point, specific steps taken to perform the review include conducting meetings with the Commission's Printing Officer, who is responsible for the FEC's security camera recording system, and the Administrative Officer at which time the issues surrounding the recording system were discussed.

The OIG also reviewed the Federal Protective Service's recently completed building security assessment of the 999 E Street location. A video tape recording from the FEC's security cameras was also reviewed to assess the quality of images provided by the security cameras. Future meetings are scheduled to discuss additional issues. The OIG anticipates completing this review during the next reporting period.

INSPECTION REPORTS

TITLE: **Inspection of the Commission's Occupant
Emergency Plan (OEP)**

ASSIGNMENT #: **OIG - 01-10**

RELEASE DATE: **February, 2002**

WEBSITE ADDRESS: ***<http://www.fec.gov/fecig/oep.pdf>***

PURPOSE: Due to the recent terrorist attacks, Federal Agencies have been forced to address new issues regarding workplace safety and emergency preparedness. Therefore, the Office of Inspector General conducted the inspection of the FEC's OEP to assess the Commission's emergency preparedness plan and program. An OEP is a facility's short term response program for safeguarding lives and property during emergencies. Federal agency's that occupy space in federally-owned or GSA-leased facilities are required by Federal Property Management Regulations to establish and maintain an OEP.

The primary objectives of the inspection were to: 1) evaluate the Commission's OEP to determine whether the plan adequately meets all GSA requirements; 2) determine whether the Commission's OEP addresses the special needs of the physically challenged; and 3) determine whether the Commission's OEP is effectively communicated to staff. The scope of the

Inspection Reports (continued)

inspection focused on evaluating the Commission's efforts to properly develop an emergency preparedness plan that can reduce threats to personnel safety, property, and other assets.

To complete the inspection, various documents were reviewed, such as the FEC's Occupant Emergency Plan, and applicable federal regulations and laws. An inspection guide was developed and a survey questionnaire was also developed to measure employees' knowledge of emergency procedures and practices at the Commission. Additional steps taken by the auditor involved contacting officials from other agency's to obtain information as it pertains to their emergency plan development, recent policies and procedural changes, and employee evacuation training. Certain sections of the FEC's OEP were also examined to determine whether the special needs of the physically challenged employees were addressed.

We found that the Commission's emergency plan generally satisfied GSA's requirements. However, we identified several inadequacies in the Commission's OEP which, if taken as a whole, could have a negative impact on the FEC's emergency response program. Although the inspection report

Inspection Reports (continued)

contained no specific recommendations, the OIG made the following suggestions to improve the Commission's Occupant Emergency Plan: 1) utilize the GSA checklist to ensure compliance with federal regulations; 2) conduct a debriefing or "lessons learned" session with the members of the Occupant Emergency Organization after each evacuation drill and ensure that evacuation test results are documented; 3) assign monitors to the lobby area to assist staff as they exit the building during emergency evacuations and ensure that Commission employees utilize all lobby doors during evacuations; 4) develop a formal process to update, test, and approve the OEP, as well as, amend Commission Directive 40 to include the requirement to update the OEP periodically; and 5) continue to examine and evaluate building security (i.e. the way the agency controls movement in / out and around the building).

The OIG discussed the suggestions with management and they agreed to implement actions to satisfy most of our suggestions. Management's proactive approach to improving the Commission's emergency preparedness program should be commended. In addition, the OIG believes that management's planned and completed actions will strengthen the agency's emergency program.

Inspection Reports (continued)

TITLE: **Inspection of the Commission's
Subscription / Publication Services**

ASSIGNMENT #: **OIG - 02-01**

RELEASE DATE: **In Progress**

PURPOSE: During this reporting period, the OIG initiated an inspection of the Commission's subscription / publication services. The purpose of conducting the inspection is to: 1) assess the adequacy of the level of funds expended for various publications; and 2) determine whether the current publication budget and expenditures accurately reflects the usage of these publications and whether or not these publications meet the needs of the Commission.

During the preparatory stages of the inspection, the OIG completed a comparative analysis of prior year subscription budget information. FEC policies, directives, and budget execution reports were analyzed to obtain information relevant to the procurement of subscriptions. In order to familiarize the OIG with the process of renewing publications and the various forms used to request publications, procurement requests and purchase orders for subscriptions were inspected.

Inspection Reports (continued)

Additional steps taken also included analyzing the FY 2002 Management Plan to compare publication and publication service usage within the FEC. The inspection guide has been developed using information obtained through interviews with Commission personnel, as well as data obtained during the preliminary stages of the inspection. The OIG anticipates completing the inspection prior to the next semiannual reporting period.

INSPECTION FOLLOW-UP

TITLE: **Inspection of the Commission's
Westlaw Database Service**

ASSIGNMENT #: **OIG - 01-05**

RELEASE DATE: **July, 2001**
(inspection report)

WEBSITE ADDRESS: **<http://www.fec.gov/fecig/westlaw.pdf>**

PURPOSE: The purpose of conducting this inspection follow-up was to determine whether corrective action had been taken to address the one recommendation contained in the original inspection report. The Westlaw service provides Commission employees with on-line access to legal and business databases. The primary objectives of the original inspection were performed to: 1) ensure that the Westlaw accounts of separated staff are properly canceled; and 2) review improper Westlaw financial payments to determine the cause and evaluate the payment process.

During the initial inspection, the OIG discovered a pattern of duplicate payments made to the Westlaw vendor. Based on a review of Westlaw payments and supporting documentation, the OIG found four duplicate payments had been made in three of the four fiscal years reviewed (1998,

Inspection Follow-up (continued)

1999, and 2001). A fifth invoice in FY 2001 was improperly approved for payment by the Library Office, but did not obtain the necessary approval for payment by the Administrative Officer, therefore the invoice was not paid. All duplicate payments were recovered from the vendor and were deemed as errors and not the result of fraud or abuse. The OIG recommended that the Library office develop an adequate system, in consultation with the Accounting Office, to monitor open purchase orders. For example, a computer spreadsheet could be developed to monitor open purchase orders, including obligations of funds, and partial / final receipt of goods or services.

The OIG met with the Library Director and spoke with the Library Technician to discuss a process implemented by the Library Office to monitor the receipt and authorization for payment of goods and services. The OIG inspected the Library Office's "Receiving Report Log" which is used when the Library Office signs-off on a receiving report for the receipt of goods or services. In order for the Accounting Office to pay a vendor, receiving reports must be completed by the requisitioning office acknowledging the receipt of goods or services. The "Receiving Report Log" is intended to provide the Library Office with a record of receiving reports previously approved to prevent the approval of duplicate receiving reports.

Inspection Follow-up (continued)

The OIG concluded the Library Office satisfactorily implemented a process to monitor the receipt of goods or services to lessen the likelihood of duplicate payments to vendors. Therefore, the OIG closed the one recommendation contained in the initial inspection report.

INVESTIGATIONS

No new investigations were opened during this reporting period. However, the OIG provided assistance to the Federal Protective Service (FPS) with regards to an investigation into the theft of Government property.

A laptop computer and carrying case was stolen from the FEC. The theft was immediately reported to the General Services Administration's Federal Protective Service. A special agent from the FPS' Criminal Investigations Section, along with the FEC OIG, investigated the theft. The FEC reported the value of the laptop computer at \$3,000.

The FEC's security camera recording was reviewed and a suspicious male was identified entering the building immediately before the time of the theft. Photographs were produced from the security camera recording by the Administrative Office. The FPS special agent provided a photograph of the suspicious male to local police precincts to determine whether the male is known to be involved in thefts in the area. The FPS special agent also contacted local pawn shops to determine whether the laptop had turned up. No leads arose from the local police or pawn shops.

Investigations (continued)

FEC employees who reported seeing the suspicious male in the building were identified and interviewed by the OIG and FPS Special Agent. The FEC security officers and the parking garage attendant on duty at the time of the theft were also interviewed. The interviews did not result in any leads. More than a month after the theft, the OIG contacted the FPS special agent to determine whether any leads on the theft had occurred. The investigator stated there was no additional information pertaining to the case. The OIG concluded it is unlikely the FEC laptop computer will be located.

ADDITIONAL OFFICE OF INSPECTOR GENERAL ACTIVITY

All legislation, as compiled by the Commission's Congressional Affairs Office, was reviewed by the Inspector General, as required by the *Inspector General Act of 1978*, as amended. The Inspector General reviews and comments, when appropriate, on all legislation provided by the PCIE Legislative Committee. In addition, the Inspector General routinely reads all Commission agenda items and attends Finance Committee meetings.

- Taking into account recent revelations regarding the misuse of government charge cards, the OIG responded to a request from Senator Charles E. Grassley who expressed concerns relevant to the SmartPay program and the misuse of government charge cards. The Senator was interested in the program's effectiveness, as well as any fraud and misuse pertaining to the government charge cards. However, one of his biggest concerns was whether the agencies have adequate controls in place to ensure the honest use of government accounts and charge cards. Particularly troubling to the Senator were reports of the government paying for employees' personal expenses because of unauthorized use of government charge cards.

The Senator wanted to know about the IG's evaluative experience with the SmartPay program. He requested we provide the following: 1) any information regarding instances of employees who have been investigated and disciplined for misusing their government purchase and travel cards, including a full description of each instance of misuse / abuse and the resulting disciplinary action; 2) details of audits and investigations conducted by the Commission regarding the use of SmartPay accounts, along with copies of any reports that have been written as a result of such activities; 3) details of audits and investigations the Commission plans to conduct regarding the use of SmartPay accounts; and 4) any recommendations the Commission has for correcting program weaknesses.

To address the concerns of the Senator, the OIG contacted the FEC's Administrative Officer, who also serves as the program manager of the SmartPay card, to determine whether or not any employees had misused / abused a government purchase and travel card. According to the Administrative Officer, there have been a few instances that employees have reported that they had mistakenly taken out their travel charge card instead of their personal charge card and used the card for a personal transaction. When the employee realized their mistake, they called the

Administrative Office and reported the error and paid for the personal charges when the bill arrived. No disciplinary action was necessary.

The Senator requested details of any audits or investigations that were conducted with regards to the use of SmartPay accounts, along with copies of any reports written by the OIG as a result of such activities. Our efforts to address this request included reviewing an audit that was conducted in 1996 entitled *Review of Commission Travel (OIG-96-02)*. During the initial review in 1996, the American Express (AMEX) charge card activity statement was reviewed to ensure charge cards were used for authorized purposes only.

The Senator also requested details of audits and investigations the OIG plans to conduct regarding the use of SmartPay accounts and any recommendations the OIG has for correcting program weaknesses. The OIG's FY02 audit plan does not currently include a planned audit, inspection or investigation of the SmartPay accounts. However, the OIG anticipates conducting a review of the SmartPay accounts in a future fiscal year. To correct program weaknesses, the OIG offered the following recommendations to the Senator: 1) users of the cards must be adequately trained on the

rules and procedures governing the use of the cards; 2) program managers should thoroughly review the card billing statements to ensure only authorized transactions have occurred; and 3) unauthorized charges should be reviewed and reported to the OIG for a determination of the cause and effect of the unauthorized use of the SmartPay cards. On October 16, 2002, the OIG prepared and submitted the response. Senator Grassley expressed his appreciation for our efforts in helping to eliminate waste and the fraudulent use of government accounts.

- The OIG received and responded to a request from a Special Agent (SA) of the Small Business Administration (SBA), Office of Inspector General, seeking information on a former FEC contractor. The SBA OIG received an allegation that the contractor misrepresented itself and possibly received government contracts based on that misrepresentation. To determine which Federal agencies had contracted with that particular contractor, the SA contacted the GSA's Federal Procurement Data System (FPDS). According to reports obtained from the FPDS, the FEC was one of two agencies that had contracts with the contractor in question.

The OIG attended a meeting with the Special Agent and those representing the FEC Data Systems Development Division, to discuss the possibility of a preliminary investigation. During that meeting, the OIG was provided with a printout of contract awards. The OIG contacted the FEC Accounting and Administrative Officers to verify whether the contracts received were valid, and to ascertain if the contractor received the contracts based on the alleged misrepresentation. The OIG received information from the Data Systems Development Division regarding the contractor and their association with the FEC. We also received several procurement documents from the Accounting and Administrative Officers. All documents were photocopied and forwarded to the Special Agent. Shortly thereafter, the OIG was notified by the Special Agent that the SBA OIG has decided not to open a case on the contractor.

- During the course of this reporting period, the OIG developed and began using two new forms. The first form entitled *Program Manager's Evaluation of OIG Audit*, was designed to obtain the program manager's feedback regarding their recently completed OIG audit. The OIG ask the program manager to answer seven questions and rate them on a scale of 1-5. One of the OIG's objectives is to find out, after the final report has been issued, how

satisfied the program manager is with their experience with the
OIG staff and the audit process. The second form entitled *Program
Manager's Decisions of Audit Report Recommendations*, was
developed to provide the program manager with a concise format
reflecting the recommendations contained within the final report.
The form also provides the manager with a space to express
agreement / disagreement with the recommendations and to
provide the OIG with the actual / estimated date the manager
expects the recommendations to be implemented. The OIG intends
to use these forms to improve the quality of our work.

ECIE AND PCIE ACTIVITY

The Executive Council on Integrity and Efficiency was established by Executive Order on May 11, 1992. It consists of Designated Federal Entity Inspectors General and representatives of the Office of Government Ethics, the Office of Special Counsel, the Federal Bureau of Investigation and the Office of Management and Budget.

The Inspector General is a member of the Executive Council on Integrity and Efficiency and continues to remain active in various issues impacting the OIG community. The Inspector General (or staff) attended the following training, programs and/or conferences during this reporting period:

- ECIE - *Monthly Meetings*
- ECIE - *Liaison Meetings*
- PCIE / ECIE - *Joint Quarterly Meeting*
- PCIE / ECIE - *Awards Ceremony*
- PCIE / ECIE - *Government Performance and Results Act (GPRA) Interest Group Roundtable Discussion*
- PCIE / ECIE - *Professional Development Forum of 2002, Whistle Blower Reprisal Forum*
- Federal Election Commission - *Administrative Liaison Meetings*
- Federal Election Commission - *Emergency Evacuation Procedures Meeting*
- PeopleSoft University - *Introduction to Financials & Distribution*

- Government Information Security Reform Act (GISRA) - *Best Practices / Lessons Learned Conference*
- Inspector General Auditor Training Institute (IGATI) - *Fraud Auditing: Theory and Awareness*
- National Businesswomen's Leadership Association - *2002 Conference for Women*

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

Section 4(a)(2)	Review of Legislation-----	25
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-----	36
Section 5(a)(4)	Matters Referred to Prosecutive Authorities-----	None
Section 5(a)(5)	Summary of Instances Where Information was Refused-----	None
Section 5(a)(7)	Summary of Significant Reports-----	15
Section 5(a)(8)	Questioned and Unsupported Costs-----	34
Section 5(a)(9)	Recommendations that Funds be put to Better Use-----	35
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**

<u>Report Title</u>	<u>Report Number</u>	<u>Issue Date</u>	Recommendations		
			<u>Number</u>	<u>Closed</u>	<u>Open</u>
Agency Controls Governing the Process for Procurement of Vendor Training Services	00-01	09/00	7	3	4

FEC / OIG Strategic Plan

OIG Products: *To provide products and services that promote positive change in FEC policies, programs, and operations.*

OIG Process: *To develop and implement processes, policies, and procedures to ensure the most effective and appropriate use of OIG resources in support of our people and products.*

OIG Staff: *To maintain a skilled and motivated work force in an environment that fosters accountability, communications, teamwork, and personal and professional growth.*

Objective A: Deliver timely, high-quality products and services that promote positive change.

Strategy:

- establish common OIG standards for communicating results;
- conduct quality assurance programs;
- solicit appropriate internal and external review and comment;
- comply with applicable statutory guidelines and standards;
- set realistic and appropriate milestones.

Objective A: Maintain a dynamic strategic planning process.

Strategy:

- periodically review and update the strategic plan to address changing OIG and FEC priorities; and,
- identify factors that influence organizational change and develop short and long term plans to address them.

Objective A: Attract and retain well-qualified, diverse and motivated employees.

Strategy:

- develop and implement a comprehensive recruiting program that attracts a broad population with the knowledge, skills, abilities, and expertise necessary to make meaningful contributions to the OIG;
- assess employee satisfaction and develop strategies to address employee concerns;
- identify reasons for staff departures and develop plans to foster greater staff retention; and,
- adhere to EEO principles and strive to maintain a diverse work force.

Objective B: Address priority issues and concerns of the Commission, Congress, and Management.

Strategy: Perform work that supports;

- Federal Election Commission and Congressional priorities;
- National Performance Review objectives;
- Strategic Management Initiative efforts;

Focus OIG attention in the following areas of emphasis:

- managing change;
- resource allocation in relation to policy objectives;
- delivery of client service;
- causes of fraud and inefficiency; and,
- automation and communication.

Objective B: Plan and conduct cost-effective work that address critical issues and results in positive change.

Strategy:

- solicit FEC and Congressional input in planning OIG activities;
- develop internal planning mechanisms to support FEC goals and priorities;
- ensure that priorities of IG are effectively communicated; and,
- identify specific targets for OIG review that are the most cost-effective

Objective B: Provide training and developmental opportunities to employees.

Strategy:

- assess training needs in relation not only to employee but also office needs as well;
- ensure that Government Auditing Standards in relation to training are adhered to; and,
- maintain a reporting system to ensure that educational requirements are met.

Objective C: Follow-up and evaluate results of OIG products and services to assess their effectiveness in promoting positive change.

Strategy:

- Identify, as appropriate, lessons learned to improve timeliness and quality; and,
- conduct follow-up reviews to determine if intended results have been achieved.

Objective C: Identify customer needs and provide products and services to meet them.

Strategy:

- establish new customer feed back mechanisms;
- consider and evaluate customers feedback when planning and developing products and services;
- respond to Congressional inquiries and request for briefing and testimony;
- promote open exchange of ideas and information through outreach and through use of e-mail; and,
- receive, evaluate, and respond, as appropriate, to information received through the OIG hotline and other sources.

Objective C: Assess, recognize, and reward, when possible, performance that contributes to achieving the OIG mission.

Strategy:

- develop and articulate expectations for each employee's performance, including contributions in meeting the mission & goals of the OIG; and,
- ensure that rewards, when possible, are given in recognition of exceptional employee performance.

Objective D: Satisfy customers, consistent with the independent nature of the OIG.

Strategy:

- establish professional communication and interaction with customers to promote the open exchange of ideas;
- incorporate customer feedback, as appropriate; and,
- be open to customer-generated solutions and options.

Objective D: Implement efficient, effective, and consistent resolution and follow-up procedures.

Strategy:

- ensure that IG follow-up procedures are followed and that management is aware of their role in the process; and,
- establish common OIG standards for terminology, date maintenance and communications.

Objective D: Create and maintain a working environment that promotes teamwork and effective communication.

Strategy:

- ensure that communications between employees is open; and,
- provide employees with the tools and incentives they need to adequately perform their duties.

Objective E: Establish a positive and productive working environment.

Strategy:

- reengineer or streamline OIG procedures to achieve the most effective use of resources; and,
- ensure that necessary technologies, evolving and otherwise, are made available to staff as needed.

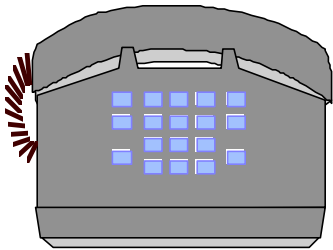
Performance Measures: Determine the timeliness and quality of products and services; their effectiveness in promoting positive change; and, reach agreement with management on at least 90% of recommendations within six months of the report issue date.

Performance Measures: An annual audit plan is issued; strategic plan is periodically reviewed; and, necessary technology is provided to staff to enable them to most efficiently perform their duties.

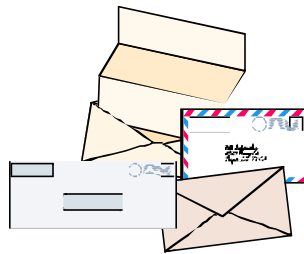
Performance Measures: All employees meet the training requirements; all employees have performance standards; and, all employees meet the basic requirements for the position in which they were hired to perform.

CONTACTING THE OFFICE OF INSPECTOR GENERAL

The success of the OIG mission to prevent fraud, waste, and abuse depends on the cooperation of FEC employees (and the public). There are several ways to report questionable activity.



Call us at **202-694-1015** or toll-free **1-800-424-9530**. A confidential or anonymous message can be left 24 hours a day / 7 days a week.



Write or visit us - we are located at: **Federal Election Commission
Office of Inspector General
999 E Street, N.W., Suite 940
Washington, DC 20463**

Mail is opened by OIG staff members only.



You can also contact us by e-mail at: **oig@fec.gov**.
Our Website address: **<http://www.fec.gov/fecig.htm>**.

Individuals may be subject to disciplinary or criminal action for knowingly making a false complaint or providing false information.