

**UNITED STATES
ELECTION ASSISTANCE COMMISSION
OFFICE OF INSPECTOR GENERAL**



***Management Advisory Concerning EAC's
Compliance with the Digital Accountability
and Transparency Act (DATA Act) of 2014***



U.S. ELECTION ASSISTANCE COMMISSION
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OFFICE OF THE INSPECTOR GENERAL

June 11, 2020

To: Benjamin Hovland, Chairman
Mona Harrington, Executive Director

Patricia L Layfield

From: Patricia L. Layfield
Inspector General

Subject: Management Advisory Concerning the U.S. Election Assistance Commission's (EAC's) Compliance with the Digital Accountability and Transparency Act (DATA Act) of 2014 (Assignment No. I-MA-EAC-06-20)

EXECUTIVE SUMMARY

The EAC did not timely report Election Security Grants arising from appropriations in fiscal years 2018 and 2020 to USASpending.gov. The DATA Act and implementing guidance from the Office of Management and Budget (OMB) and the Treasury Department require specific data concerning grants to be reported to the Treasury Department for publication on the website USASpending.gov. EAC staff turnover and an absence of documented policies and procedures caused the oversight. As a result, EAC did not timely report \$805 million in grant obligations in accordance with DATA Act requirements.

RECOMMENDATION

We recommend that EAC (1) report the grants from the 2018 and 2020 appropriations through the Data Broker to USASpending.gov and (2) develop, document, and implement internal control policies and procedures to ensure EAC's reporting under the DATA Act is consistently complete, accurate, and timely for all reportable types of spending.

BACKGROUND, SCOPE, METHODOLOGY

The purpose of this memorandum is to inform EAC Commissioners and management concerning noncompliance with the provisions of the DATA Act with regard to EAC grants and create a recommendation that will enable the Office of Inspector General (OIG) to track the issue through completion of corrective actions.

In its fiscal year 2018 appropriation bill (Public Law No. 115-141), EAC received an appropriation under Section 101 of the Help America Vote Act (HAVA) of \$380 million to

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improve the administration of elections for Federal office. The 2020 appropriations bill (Public Law No. 116-93) provided \$425 million for the same purpose, specifically to include enhancing election technology and making election security improvements. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provided supplemental 2020 appropriations of \$400 million for Election Security grants to “prevent, prepare for, and respond to coronavirus, domestically or internationally, for the 2020 Federal election cycle”. Thus, the total of grant funds appropriated to EAC was \$1.2 billion during the past three fiscal years.

Late in April 2020, as a result of inquiries from OMB, EAC became aware that none of the grant funds awarded in 2018 or 2020 had been reported on USASpending.gov and began to plan and perform corrective actions. Approximately one week after EAC became aware of the issue, while performing research on the USASpending.gov website related to its assessment of EAC’s compliance with the Improper Payments Information Act of 2002 (see EAC OIG Report # I-MA-EAC-07-20), the OIG discovered that EAC had not reported any grant funding since fiscal year 2011.

EAC disbursed \$380 million of funds from the 2018 appropriation in the fourth quarter of 2018, which should have been reported in approximately February 2019. The Agency also disbursed \$425 million in 2020 appropriation funds during the second quarter of 2020 and the DATA Act reporting deadline for that quarter was May 15, 2020. As of that date, the CARES Act funds were still in the process of being disbursed to the states, so the reporting for those grants will generally be due as part of the third quarter 2020 reporting, or not later than August 2020.

Discussions with current EAC personnel indicated that the lack of timely reporting was probably the result of the departure of key personnel and the absence of any internal instructions, policies, or procedures to indicate that grants would be reportable to USASpending.gov. The previous Chief Financial Officer (CFO) and the previous Grants Officer processed the 2018 payments during the third and fourth quarters of 2018. The CFO, who also served as the EAC’s Senior Accountable Official (SAO) for Data Act reporting, retired on June 30, 2018, which was prior to the DATA Act reporting deadlines for the third quarter. The Grants Officer also did not report the grants; however, in the absence of internal instructions, policies, procedures, or institutional knowledge about how EAC reported grants through fiscal year 2011, we were unable to determine who should have been responsible for reporting the grant funds or whether the previous Grants Manager or CFO were aware that grant transactions were reportable.

EFFECT ON PREVIOUSLY ISSUED OIG REPORT ON DATA ACT COMPLIANCE

We reviewed documentation from our oversight of our 2019 report on EAC’s DATA Act compliance¹ and from the contract auditor’s working papers and determined that the report did not contain errors or omissions that would require us to withdraw or reissue the report. The scope of that audit, defined in the *CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act*² required the 2019 audits to address “...fiscal year 2019, first quarter financial and award data the Federal agency submitted for publication on USASpending.gov...” EAC had no grant transactions during the first quarter of 2019, as all 2018 grant transactions had been obligated and outlaid by September 21, 2018. Thus reporting of assistance transactions processed during the first quarter of 2019 was not applicable. Therefore, the EAC grant transactions were outside the scope of the 2019 DATA Act audit and the OIG report as originally issued was complete insofar as the defined scope was concerned. Our analysis did not reveal any errors in DATA Act audit results for the period covered.

¹ EAC OIG Report, *Audit Of The U.S. Election Assistance Commission’s Compliance With The Digital Accountability And Transparency Act Of 2014*, No. I-PA-EAC-07-19, issued November 2019

² CIGIE – Council of the Inspectors General on Economy and Efficiency; FAEC – Federal Audit Executive Council



*U.S. ELECTION ASSISTANCE COMMISSION
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To: Patricia Layfield, Inspector General
From: Mona Harrington, Acting Executive Director
Date: June 10, 2020
Subj: Response to Management Advisory Concerning the U.S. Election Assistance Commission's Compliance with the Digital Accountability and Transparency Act (DATA Act) of 2014 (Assignment No. I-MA-EAC-06-20)

Thank you for your management advisory regarding EAC's delinquency in reporting 2018 and 2020 grant data to USASpending.gov. The EAC has experienced a high volume of vacancies in key positions e.g. Grants Director, Executive Director, General Counsel, Chief Financial Officer, etc. along with a ten year period of not administering grant funds. The combination of these factors contributed to the oversight of not reporting as required.

EAC staff became aware of the issue when the former Grants Director resigned and informed the former Executive Director that the data had not been entered due to the retirement of the Chief Financial Officer.

Our new Grants Manager and Financial Manager have contacted the Bureau of Fiscal Service for assistance and are working to update EAC's USASpending related accounts so we can transmit the data immediately. We expect to be in compliance with the 2018 and 2020 reporting by August 2020.

We are taking the following steps to ensure this doesn't happen again:

- We are forming a Data Act Guide to document the steps necessary to be in compliance.
- We will also revise the EAC Grants Handbook and EAC Financial Procedures to include roles and responsibilities related to complete, accurate, and timely reporting ensuring compliance.

If you have any questions, feel free to contact me or our new Grants Manager, Kinza Ghaznavi, at kghaznavi@eac.gov.

