



## OFFICE OF INSPECTOR GENERAL

### U.S. Election Assistance Commission

**DATE:** July 5, 2023

**TO:** U.S. Election Assistance Commission, Executive Director, Steven Frid

**FROM:** U.S. Election Assistance Commission, Inspector General, Brianna Schletz

**SUBJECT:** Management Advisory 23-03: FACA Board Spending

We are issuing this management advisory to advise the U.S. Election Assistance Commission's (EAC's) Executive Director on recent Federal Advisory Committee Act (FACA) board costs, which were incurred without appropriate policies and procedures to ensure that federal regulations were followed and costs were minimized.

#### Background and Identified Risks

EAC has three FACA boards, which are mandated by the Help America Vote Act of 2002 (HAVA),<sup>1</sup> and help EAC complete its mission. These boards are made up of election experts and representatives from the government. The annual meeting of the EAC Standards Board was held in April in Phoenix, Arizona, and the annual meeting of the EAC Board of Advisors was held in April in Washington, DC. EAC planned these meetings and covered the costs of members' room and board. Officials report that multiple venues were considered for these meetings, and those that offered the best overall value were selected.

Meanwhile, EAC has not established internal policies to ensure that FACA board costs are both allowable and minimized, as required by HAVA and Federal Travel Regulation. HAVA Section 215(e) states that FACA board members shall be paid travel expenses at the rates authorized by the General Services Administration (GSA), and 41 CFR 301-74.1 requires agencies to minimize conference costs and establish internal policies for planning them. For example, the agency counsel should have a policy to help event planners determine whether light refreshments may be served at a meeting.<sup>2</sup>

During the ongoing Audit of EAC's Contracting and Procurement Activities, the Office of Inspector General (OIG) obtained the contracts between EAC and the hotels where the two

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<sup>1</sup> Pub. L. No. 107-252.

<sup>2</sup> GSA does not have government-wide guidance on providing refreshments at government-sponsored meetings. Per the GSA website, decisions to provide light refreshment should be determined by agency counsel, as there are certain statutory authorities that may permit the use of appropriated funds for this purpose in certain situations.

FACA board meetings were recently held. In our review of these contracts and other supporting documentation, we identified:

- For the Standards Board Meeting, EAC agreed to pay board members’ lodging expenses at a rate of \$219 per room per night at the Hyatt Regency Phoenix, which exceeded the GSA rate for Phoenix in April 2023 by \$68 (45 percent). With 263 hotel nights invoiced over the course of the event, and a tax rate of 12.57 percent, the total cost is \$20,133 above what it would have been if EAC provided lodging within the GSA per diem.
- EAC spent \$35,635 on food and beverages at the 1 1/2-day Standards Board Meeting in Phoenix, which included an 8.6 percent tax and a 25 percent service charge added to the cost of the menu items. Figure 1 below shows the rate EAC was invoiced for some of the food and beverage items, as compared to the GSA allowance, on a per person basis.

**Figure 1. Per Person Comparison of GSA Allowances and EAC Invoiced Rates for Phoenix, AZ (April 2023)**

	GSA Allowance*	Invoiced Rate**	Included per Invoice
Breakfast 4/18/23	\$16	\$57.02	Breakfast buffet (7 a.m.)
Lunch 4/18/23	\$17	\$81.45	Lunch buffet and iced tea (12:15 p.m.)
Breakfast 4/19/23	\$16	\$57.02	Breakfast buffet (7:30 a.m.)

\* The GSA allowance includes taxes and tips.

\*\* The invoiced rate is shown here, per person, inclusive of 8.6 percent tax and 25 percent service charge.

EAC spent an additional \$8,558 on three coffee breaks and \$742 on refreshments for an executive session. Both included drinks and snacks, such as individual bags of potato chips at a cost of \$7.13 each, after tax and service charge.

- For the Board of Advisors Meeting, EAC agreed to pay board members’ lodging expenses at a rate of \$299 per room per night at the Fairmont Georgetown, exceeding the GSA rate for Washington, DC, in April 2023 by \$41 (15.9 percent). With 94 hotel nights invoiced over the course of the event, and taxes charged at 15.95 percent, the total cost is \$4,469 above what it would have been if EAC provided lodging within the GSA per diem.
- EAC spent \$25,000 on food and beverages for 56 people at the 1 1/2-day Board of Advisors Meeting in Washington, DC, which included a 10 percent tax and a 25 percent service charge. Figure 2 on the next page shows the rate EAC agreed to pay for food and beverages, as compared to the GSA allowance, on a per person basis.

**Figure 2. Per Person Comparison of GSA Allowances and EAC Invoiced Rates for Washington, DC (April 2023)**

	GSA Allowance*	Invoiced Rate**	Included per Invoice
Breakfast 4/25/23	\$18	\$89.38	Breakfast buffet (3 entrees)
Lunch 4/25/23	\$20	\$110	Lunch buffet (2 entrees)
Breakfast 4/26/23	\$18	\$89.38	Breakfast buffet (3 entrees)

\* The GSA allowance includes taxes and tips.

\*\* The invoiced rate is shown here, per person, inclusive of 10 percent tax and 25 percent service charge.

EAC spent an additional \$9,119, after tax and service charge, on beverages, trail mix, and doughnuts during break periods.

### Next Steps

EAC may pay for legitimate, reasonable travel costs for its employees and FACA board members. And, with justification, the Commission may pay over the established per diem rates in limited instances. However, EAC is required to make these determinations in accordance with an internal policy that aligns with federal regulations and aims to minimize costs.

OIG’s Audit of EAC’s Contracting and Procurement Activities will report on whether the contracts were executed in accordance with Federal Acquisition Regulations. We are issuing this Advisory so EAC management is aware of our spending concerns and can take timely action to address them—before planning this year’s remaining FACA board meetings, as well as next year’s meetings. To minimize the costs of EAC’s FACA boards for the American taxpayer, we urge EAC officials to develop internal policies specifying how they ensure federal regulations are followed and costs are minimized.

### EAC Response

On June 6, 2023, we provided EAC with a draft of this management advisory for its review and comment. EAC acknowledged the advisory and provided an update on its ongoing efforts to improve its contracting and procurement process for FACA board conferences. The full text of EAC’s response is included as Attachment 1. EAC also provided OIG with the final invoices for both meetings and we updated the figures in the advisory to reflect the actual amounts billed.



U.S. Election Assistance Commission  
633 3rd Street NW, Suite 200  
Washington, DC 20001

**DATE:** June 27, 2023  
**TO:** Brianna Schletz, U.S. EAC Inspector General  
**FROM:** Steven Frid, U.S. EAC Executive Director  
**RE:** Response to Inspector General's Management Advisory: FACA Board Spending

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The U.S. Election Assistance Commission (EAC) appreciates the Management Advisory issued by the Inspector General, which identifies risks in the EAC contracting and procurement process for FACA Board Conferences. The advisory notes that parts of the process were executed without policies to ensure that FACA board costs are both allowable and minimized, as required by the Help America Vote Act of 2002 (HAVA) and Federal Travel Regulation. The response below serves to acknowledge the work of the Inspector General and provide an update to the EAC's ongoing efforts to improve agency contracting and procurement practices.

There are three HAVA-mandated federal advisory committees that help the EAC complete its mission. They are the Standards Board, the Board of Advisors, and the Technical Guidelines Development Committee (TGDC). Each board is composed of election officials, experts from the field, and representatives of the government. In 2021, the EAC also established the Local Leadership Council composed of two election official leaders from each state. All four FACA boards provide mission-critical feedback on EAC work products.

The management advisory notes issues with contract rates for the 2023 Standards Board and Board of Advisors meetings. The EAC would like to highlight for the Inspector General that the final cost of the Standards Board conference is 20% lower than the original estimated contract cost. For the Board of Advisors, the final cost is also 20% lower than the original estimated contract cost.

The management advisory recommends that the agency counsel should have a policy to help event planners determine whether light refreshments may be served at a meeting. The EAC Office of General Counsel, in consultation with the EAC Office of Compliance, is working to develop such a written policy. The EAC would be happy to share finalized policies with the Office of Inspector General upon completion in the coming months.

The management advisory recommends that EAC officials develop internal policies specifying how they ensure federal regulations are followed and costs are minimized. Specifically, the advisory notes that the EAC should develop internal policies to ensure that FACA board costs are both allowable and minimized, as required by HAVA and Federal Travel Regulation. The EAC concurs, and thanks the Office of Inspector General for highlighting this matter.

In addition to the draft management advisory provided by the Inspector General, EAC management also became aware of the need to update the 2018 Procurement Handbook through a regular review of agency standard operating procedures and accompanying policies in 2022. The EAC previously informed the Inspector General that the EAC Office of Compliance, under the direction of the EAC Office of General Counsel, is working to update the EAC Procurement Handbook. Based on the Office of Inspector General's review in this management advisory, the EAC Office of General Counsel is prioritizing the inclusion of written policies on FACA board costs.

The EAC is greatly appreciative of the Office of Inspector General. Management will ensure that the advisory is implemented, and the EAC looks forward to improving the agency operations based on Inspector General feedback.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Frid', written in a cursive style.

Steven Frid  
Executive Director