

DOE/IG-0473

AUDIT REPORT

CAMPAIGNING ACTIVITIES BY POLITICAL APPOINTEES



MAY 2000

U.S. DEPARTMENT OF ENERGY
OFFICE OF INSPECTOR GENERAL
OFFICE OF AUDIT SERVICES

May 31, 2000

MEMORANDUM FOR THE SECRETARY

FROM: Gregory H. Friedman (Signed)
Inspector General

SUBJECT: INFORMATION: Audit Report on "Campaigning Activities by
Political Appointees"

BACKGROUND

In a letter to the Office of Inspector General dated February 29, 2000, the Chairman, Senate Committee on Governmental Affairs, requested information concerning the political activities conducted by Departmental employees. The Committee also made similar requests to other Executive Branch Inspectors General.

We performed an audit to determine whether campaigning activities by Departmental employees in politically sensitive positions were in accordance with applicable laws and policies and were not interfering with their official duties. We examined 90 trips taken during the 2-year period from March 1, 1998, through March 1, 2000, including trips in which you participated. We also reviewed trips taken by Deputy Secretary Glauthier, Under Secretary Moniz, and former Secretary Peña. In addition, we randomly selected trips taken by other Department employees in politically-sensitive positions

RESULTS OF AUDIT

Based on our review, we did not identify any instances of campaigning activities by Department employees that were not in accordance with applicable laws and regulations. However, we identified an area of concern regarding the internal controls relating to documentation and receivables. The Department committed to strengthen these controls.

Appendix 1 contains key data from the review and is an integral part of the audit report.

Please feel free to contact me should you desire to discuss any of the issues further.

Attachment

cc: Deputy Secretary
Under Secretary
General Counsel
Chief Financial Officer

Campaigning Activities by Political Appointees

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Campaigning Activities by Political Appointees

INTRODUCTION AND OBJECTIVE

The Hatch Act establishes the restrictions on political activities by Federal civilian employees. Passed in 1939 and significantly amended in 1993, the Hatch Act and its implementing regulations reflect the Congress' determination that partisan political activity by Federal employees must be limited for public institutions to function fairly and effectively.

In a letter to the Office of Inspector General dated February 29, 2000, the Chairman, Senate Committee on Governmental Affairs requested information concerning the policies and practices of political activities conducted by Departmental employees. The Committee also made similar requests to other Executive Branch Inspectors General. Appendix 1 contains a discussion of the requested information.

We performed an audit to determine whether campaigning activities by Departmental employees in politically sensitive positions were in accordance with applicable laws and policies and were not interfering with their official duties. As part of the audit, we obtained and reviewed Departmental policies and procedures, examined travel records of selected Departmental officials, and interviewed a sample of senior individuals within the Department concerning their campaigning activities. The audit scope and methodology are more thoroughly described in Appendix 2.

CONCLUSIONS AND OBSERVATIONS

Based upon our review of 90 selected trips, we did not identify any instances of campaigning activities by Departmental employees that were not in accordance with applicable laws and regulations. Additionally, through interviews with senior Departmental officials, we did not identify any circumstances where employee campaigning activities interfered with their official duties. However, we identified an area of concern regarding the internal controls relating to documentation and receivables.

We determined that former Secretary Peña, Secretary Richardson, and one other senior Departmental official conducted a total of 16 trips involving both official and political components during the 2-year period under review. In addition, a fourth official engaged in campaigning activities that did not involve any official travel. According to the Office of the Secretary, Secretary Richardson has spent approximately 56 hours campaigning and nearly 3,000 hours conducting official business since joining the Department in August 1998. We did not determine the amount of time former Secretary Peña spent campaigning because he and his staff are no longer with the Department. The remaining two officials stated that their campaigning activities involved less than one percent of their total time, which was defined as 24 hours a day, 7 days a week.

The Department has a system of policies and procedures in place to govern the political campaigning activities of Departmental employees. Specifically, the Department actively informs its employees about the Hatch Act and its political campaigning restrictions. Although the policy is the responsibility of the U.S. Office of Special Counsel, the Department's Office of the General Counsel provides periodic updates to Departmental employees and typically incorporates information about political campaigning restrictions into annual ethics briefings.

In addition, the Department maintains and follows prescribed guidance for travel reimbursement claims. Specifically, the Capital Accounting Center Travel Division, with assistance from the Office of the General Counsel, ensures compliance with Departmental orders and White House policy when processing claims that involve a political component.¹ We noted significant improvements in the Travel Division's practices and procedures since the issuance of our report on Inspection of the Secretary of Energy's Foreign Travel in October 1996 (DOE/IG-0397).

An area of concern was identified during the audit relating to internal controls over documentation and receivables. Changes in this area, if properly implemented, would further enhance the Department's processing of travel involving a political component. Specifically, we identified five instances where support documentation and controls over receivables were not sufficient to initially determine if costs were properly reimbursed for Secretarial travel involving a political component. Working with the Office of Scheduling and Advance, the Office of the General Counsel, and the Capital Accounting Center Travel Division, we received additional documentation and analyses. Based upon this information, we determined that the Department was owed a net amount of approximately \$200. The Office of Scheduling and Advance has acted to collect amounts owed to the Department. Additionally, we discussed the internal control matters with the Office of Scheduling and Advance and the Capital Accounting Center Travel

¹ For non-Secretarial travel, claims are prepared by the traveler's respective program office, without input from the Office of the General Counsel. While the Office of the General Counsel advises employees to seek its advice on such matters, it is incumbent on the traveler to inform the Department of any political activities.

Division, which agreed to develop and implement procedures to strengthen and improve the control structure. The Office of Chief Financial Officer will monitor the implementation of corrective actions through the Departmental Audit Report Tracking System.

(Signed)
Office of Inspector General

Appendix 1

REQUESTED INFORMATION

During our audit, we obtained information related to the following seven areas:

(i) Departmental policies and guidelines regarding political activity by employees

Regarding the political activities of Departmental employees, the Department relies on external guidance from the U.S. Office of Special Counsel and the Counsel to the President. For example, the Department's Office of the General Counsel disseminates information about political restrictions based on guidance issued by the U.S. Office of Special Counsel { see Item (vi) }.

(ii) The process within the Department to review claims for official travel

The process the Department uses to review Secretarial travel claims is different from that used to review non-Secretarial travel claims. Secretarial travel claims are reviewed using a proactive process. For example, the Office of the General Counsel, the Capital Accounting Center Travel Division, and the Office of Scheduling and Advance work closely together prior to and after Secretarial travel in order to ensure that the trip complies with applicable policies and guidelines { see Item (iii) }. In addition, the Capital Accounting Center Travel Division audits all Secretarial travel claims.

Non-Secretarial travel claims are reviewed using a more traditional approach. In general, claims for official travel are prepared by the traveler's respective program office, without input from the Offices of the General Counsel or Scheduling and Advance. However, the Office of the General Counsel encourages Departmental employees to seek its advice when engaging in political activities, including travel. Regardless of whether the claims are submitted electronically or in a hard copy format, they are subject to selection by the Travel Division for a post-trip audit.

(iii) Departmental policy with regard to combining official travel with political travel

For combining official travel with political travel (mixed travel), the Department uses guidance issued by the White House. Specifically, memoranda from the Counsel to the President are used by the Offices of the General Counsel and Scheduling and Advance when advising Departmental employees involved in political travel and for calculating mixed travel reimbursements. For example, the memoranda outline specific policies and formulas for use in calculating the proper allocation of time and expenses.

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- (iv) The number of trips taken by Departmental employees or officials involving a mix of official and political travel

Based on a sample of politically appointed Department officials, we determined that former Secretary Peña, Secretary Richardson, and one additional senior official conducted mixed travel during the 2-year period under review. Former Secretary Peña had one instance of mixed travel out of a total of eight Departmental trips. Of Secretary Richardson's 93 Departmental trips, 14 involved mixed travel. Through interviews with senior Departmental officials and reviews of their travel vouchers, we identified one additional individual who engaged in a single trip involving a mix of official and political travel.

- (v) Whether any staff, including but not limited to protective details or advance personnel, have accompanied political appointees on travel involving a political component

The Secretary is generally accompanied by four individuals – including protective details and staff liaisons – on each portion of a trip, regardless of the trip's nature. Based on the audit work performed, we did not identify any other instances where staff employees accompanied political appointees on travel involving a political component.

- (vi) The systems within the Department to ensure that employees are abiding by the Hatch Act

The Office of the General Counsel has assumed primary responsibility for distributing Hatch Act information to employees. It develops training materials using U.S. Office of Special Counsel guidance that it typically incorporates into mandatory annual ethics briefings of Departmental employees. In addition, it periodically provides Departmentwide Hatch Act reminders via the Internet. Further, the Office of the General Counsel provides Hatch Act briefings to political appointees during their initial vetting and interview process or at the request of a particular program or official.

- (vii) How much time those employees who are appointed by the President and confirmed by the Senate spent campaigning over the last 2 years

Based on our sample of politically-appointed, Senate-confirmed Departmental officials, we identified the three individuals mentioned in (iv) above, plus one additional senior official as having engaged in campaigning activities during the last 2 years. We did not determine the amount of campaigning time spent by former Secretary Peña, since he and his staff are no longer with the Department. According to the Office of the Secretary, Secretary Richardson has spent approximately 56 hours involving campaigning activity and nearly 3,000 hours conducting official business since joining the Department in August 1998. The other two senior officials both categorized their campaigning activities as involving less than one percent of their total time, which was defined as 24 hours per day, 7 days a week.

Appendix 2

SCOPE

The audit was performed at the Department of Energy Headquarters in Washington, DC and at Germantown, MD, from March 17 through May 30, 2000. The audit covered the period March 1, 1998, through March 1, 2000, and included Departmental employees in the following three personnel categories: Presidential appointees who have been confirmed by the Senate, Non-Career Senior Executives, and Schedule C employees grades GS-13 through GS-15.

METHODOLOGY

We performed the following steps to address our audit objective.

Policies and Processes

We held discussions with personnel from the Office of the General Counsel and the Capital Accounting Center Travel Division to determine the policies and guidelines applicable to political activity by employees. We also held discussions with personnel from the Office of the General Counsel, the Capital Accounting Center Travel Division and the Office of Scheduling and Advance to determine the process for the review of travel claims for travel containing a political component.

Number of Trips Containing a Political Component

We conducted a sample of travel by employees in politically sensitive positions. The sample encompassed judgmental as well as random selections. The judgmental sample selections included former Secretary Peña, Secretary Richardson, Deputy Secretary Glauthier, and Under Secretary Moniz. In addition, we randomly selected 10 employees from a listing of 124, which was provided by the Office of Headquarters and Executive Personnel Services. The listing included all employees in one of the three personnel categories as of March 1, 2000.

For Secretaries Peña and Richardson, we reviewed a total of 33 trips conducted during the period under review, including:

- A sample of 10 official trips (Peña: 1, Richardson: 9);
- 15 trips identified as containing both an official and political component (Peña: 1, Richardson: 14); and
- 8 trips identified as political (Richardson).

For the other 12 employees in our sample, we selected and reviewed up to five randomly selected trips for each individual. We also contacted all of the selected employees and asked if they had taken any trips containing a political component during the time period under review. One individual identified a single trip not selected in our sample, so we included this additional record in our review. A total of 57 non-Secretarial trips were examined.

All selected travel vouchers were reviewed and compared with supporting documentation to verify the type of travel conducted (official, mixed, or political). Any trip that was identified as having a political component was further reviewed to determine whether (1) cost allocations were done in accordance with applicable laws and policies, (2) White House policy payment rules were followed, and (3) costs for travel associated with campaigning activities were properly reimbursed to the Department.

Accompanying Staff

We reviewed files maintained by the Capital Accounting Center Travel Division for the selected employees to determine whether staff had accompanied them on travel containing a political component. We also held discussions with personnel from the Office of Scheduling and Advance to determine the number of staff that generally accompany the Secretary during his travel.

Hatch Act

We reviewed the Hatch Act and held discussions with personnel from the Office of the General Counsel to determine the system for disseminating Hatch Act information to Departmental employees.

Time Spent Campaigning

With the exception of Secretaries Peña and Richardson, each employee in our sample who was appointed by the President and confirmed by the Senate was contacted and asked about the amount of time they spent campaigning during the 2 years under review. For Secretary Richardson, we requested this information from his staff.

The audit was performed in accordance with generally accepted Government auditing standards for performance-related audits and included tests of internal controls and compliance with laws and regulations to the extent necessary to satisfy the audit objective. In addition, we reviewed performance measures in accordance with the Government Performance and Results Act. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed. We relied on a minimum of computer-processed data to accomplish our audit objective.

The Office of the General Counsel, the Capital Accounting Center Travel Division, and the Office of Scheduling and Advance waived an exit conference.

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