

Responses to Performance Oversight Pre-Hearing Questions: Office of Campaign Finance
February 19, 2016

GENERAL QUESTIONS

1 Please provide, as an attachment to your answers, a current organizational chart for the agency, including the number of vacant, frozen, and filled FTEs in each division or subdivision. Include the names and titles of all senior personnel. Also provide the date that the information was collected on the chart.

- a. Please provide an explanation of the roles and responsibilities for each division and subdivision.**
- b. Please provide a narrative explanation of any changes made during the previous year.**

RESPONSE:

The Office of Campaign Finance (OCF) is organized into three major divisions which operate under the direction of the Office of the Director: the Public Information and Records Management Division (PIRM); the Reports Analysis and Audit Division (RAAD); and the Office of the General Counsel (OGC).

The current Organizational Structure and Staffing Chart (February 2016) (**Attachment A**), and Organizational Charts for each OCF Division (February 2016) (**Attachment B**) are attached. The Office of Campaign Finance Functional Organization Chart (February 2016) is attached, and provides a breakdown of the responsibilities of each OCF Division. **See Attachment C**. The OCF currently has thirty (30) continuing full time positions.

The Office of the Director is responsible for planning, directing and coordinating the administrative operations of the Board of Elections pertaining to the Campaign Finance Act of 2011, as amended. The Director establishes policy and institutes clear directives to ensure the reasonable enforcement and administration of the Act.

The Director issues interpretative opinions; initiates investigations and informal hearings on violations of the Campaign Finance Act, and issues final decisions and imposes fines, where appropriate; and plans, directs, and coordinates the overall programs, as well as the administrative and legal functions of the Agency, and the educational outreach services. The administrative function of the Office of the Director includes budgeting, procurement, personnel, and overseeing the administration of the OCF Web Site, the Electronic Filing and Disclosure System, and the cross index system for documents filed within the OCF.

The Office of the General Counsel (OGC) is responsible for enforcement through directing investigations, conducting hearings, and rendering recommendations for decisions on charges of violations of the Campaign Finance Act. The Office of the General Counsel prepares draft regulations, recommends legislative changes, reviews OCF forms for changes, administers the Freedom of Information Act (FOIA), and interprets the Campaign Finance Act for appropriate application. This Office is also responsible for promoting through educational outreach (training

seminars and mandatory entrance conferences) voluntary compliance for all filings, registrations, and activity requirements mandated by the Act.

The Reports Analysis and Audit Division (RAAD) is responsible for performing the audit analysis and review of all financial reports and other documents received in the Office. The Division conducts field audits and investigations based upon deficiencies and conditions noted during the Desk Audit reviews. The Division conducts periodic field audits, and compiles statistical reports and summaries for all reports of receipts and expenditures submitted by candidates, committees, and the Constituent Service and Statehood Fund Programs. This program area is the primary generator of compliance actions through audits and the monitoring of the financial disclosure of the financial operations of the Constituent Service and Statehood Fund Programs, candidates, principal campaign committees, political committees, political action committees, independent expenditure committees, and all others required to file with the Agency.

The Public Information and Records Management Division (PIRM) is responsible for providing public information online at the OCF Website and onsite in the OCF Offices; administering the records management and retention programs; compiling information for listings and reports published in the Biennial Report; managing the electronic filing of financial reports, the data entry of paper submissions, and the disclosure of information at the OCF Website; and making all reports and statements available for public inspection within forty-eight hours of receipt as statutorily mandated. The Division conducts the Filer Pre-Notification and Failure to File Programs.

- 2. Please provide, as an attachment, a current Schedule A for the agency, which identifies all employees by title/position, current salaries, fringe benefits, and program. This Schedule A should also indicate if the positions are continuing/term/temporary/contract and whether they are vacant or frozen positions.**
 - a. For each vacant position, please provide the status of the agency's efforts to fill the position, as well as the position number, the title, the program number, the activity number, the grade, the salary, and the fringe associated with each position. Please also indicate whether the position must be filled to comply with Federal or local law.**
 - b. For each filled position, please provide the employee's length of service with the agency.**

RESPONSE:

The complete and current Schedule A for the Office of Campaign Finance is attached, which identifies all OCF employees by name, position title, current salary and fringe benefits, including the specific grade, series, and step of position, and program; whether the position held is continuing/term/temporary/contract, or vacant and/or frozen; the date the employee began in the position; and the job status. **See Attachment D.** The vacant positions in the Office of Campaign Finance are also identified on the Schedule A, and the recruitment efforts for each vacant position are addressed in **Attachment E.**

- 3. Please list all employees detailed to or from your agency, if any. For each employee identified, please provide the name of the agency the employee is detailed to or from, the reason for the detail, the date of the detail, and the employee's projected date of return.**

RESPONSE:

During FY 15, and as of this date in FY 16, the Office of Campaign Finance did not detail any employees from the Agency, nor did it have employees detailed to the Agency.

- 4. Please provide the Committee with:**

- a. A list of all employees who received or retained cell phones, personal digital assistants, or similar communications devices at agency expense in FY15 and FY16, to date;**

RESPONSE:

The employees of the Office of Campaign Finance do not have cell phones, personal digital assistants, or similar communications devices at agency expense. All cell phones were disconnected on July 25, 2009, as a cost savings measure.

- b. A list of all vehicles owned, leased, or otherwise used by the agency and to whom the vehicle is assigned, as well as a description of all vehicle accidents involving the agency's vehicles in FY15 and FY16, to date;**

RESPONSE:

The Agency has one (1) Vehicle, a 2001 Ford Taurus. The Vehicle is assigned to Nadine Journette, the Administrative Officer, April Williams, the Administrative Assistant, Lajuan Lee, the Clerical Assistant, and Payam Zerrat, the Investigator. The Vehicle is used exclusively for government business. The Vehicle was not involved in any accidents in FY15, or FY16 to date.

- c. A list of employee bonuses or special award pay granted in FY15 and FY16, to date;**

RESPONSE:

There were no bonuses granted by the Office of Campaign Finance in FY15 and in FY16, to date.

- d. A list of travel expenses, arranged by employee for FY15 and FY16, to date, including the justification for travel; and**

RESPONSE:

There were no travel expenses incurred by the Office of Campaign Finance in FY 15 and in FY 16, to date.

e. A list of the total overtime and workers' compensation payments paid in FY 15 and FY16, to date, including the number of employees who received overtime and workers' compensation payments.

RESPONSE:

The Office of Campaign Finance did not pay overtime and workers' compensation in FY15, and as of this date, in FY16.

5. With regard to the use of communication devices:

- a. What procedures are in place to track which individuals or units are assigned mobile devices (including, but not limited to, smartphones, laptops, and tablet computers)? Please include how the usage of these devices is controlled.**
- b. How does your agency limit the costs associated with its mobile devices?**
- c. For FY15 and FY16, to date, what was the total cost including, but not limited to, equipment and service plans for mobile communications and devices?**

RESPONSE:

See the Response to Question 4a. The Office of Campaign Finance did purchase in FY14, on March 31, 2014 four (4) Dell Latitude E 6330 Laptops (Cost: \$1,416.97 per device) for the use of the Audit Division when field audits are conducted offsite, and to present Power Point Instruction during Training Seminars. The Laptops are maintained by the Administrative Officer who uses a Log to record the date and purpose for usage, and requires the signature of the OCF Staff member for the receipt and return of the device. Each Laptop is assigned an OCF Property Number for identification purposes.

6. Please provide a chart showing your agency's approved budget and actual spending, by division, for FY15 and FY16, to date. In addition, please describe any variance between fiscal year appropriations and actual expenditures.

RESPONSE:

The Chart showing the Agency's approved budget and actual spending, by division, is attached for FY15 and for FY16, to date. **See Attachment F.** In FY15, the total Budget approved for the Office of Campaign Finance was **\$2,798,476.00 (Revised Budget, \$2,465,400.00)**. The total actual expenditures were **\$2,438,912.86**, with a variance of **\$26,487.14** in Local Funds. As of this date, there have been no variances projected for FY16.

- 7. For FY15 and FY16, to date, please list all intra-District transfers to or from the agency.**

RESPONSE:

The intra-District transfers received by or transferred from the Agency during FY15 or FY16, to date, are reported in the attached Chart of Intra-District Transfers. **See Attachment G.**

- 8. For FY15 and FY16, to date, please identify any special purpose revenue funds maintained by, used by, or available for use by your agency. For each fund identified, provide (1) the revenue source name and code; (2) the source of funding; (3) a description of the program that generates the funds; (4) the amount of funds generated by each source or program; and (5) expenditures of funds, including the purpose of each expenditure.**

RESPONSE:

The Office of Campaign Finance did not maintain, use, or have available for use, any special purpose revenue funds during FY15, and in FY16, to date.

- 9. Please provide a complete accounting of all federal grants received for FY15 and FY16, to date.**

RESPONSE:

The Office of Campaign Finance did not receive federal grants in FY15, and has not received federal grants in FY16, to date.

- 10. Please list each contract, procurement, lease, and grant awarded or entered into, extended, and option years exercised, by your agency during FY15 and FY16, to date. For each contract, please provide the following information, where applicable:**

- a. The name of the contracting party;**
- b. The nature of the contract, including the end product or service;**
- c. The dollar amount of the contract, including budgeted amount and actually spent;**
- d. The term of the contract;**
- e. Whether the contract was competitively bid;**
- f. The name of the agency's contract monitor and the results of any monitoring activity; and**
- g. Funding source.**

RESPONSE:

The list of each contract, procurement, lease, and grant awarded, entered into, extended and option years exercised, by the Office of Campaign Finance during FY15 and FY16, to date, is attached, with the requested information provided for each. **See Attachment H.**

- 11. For FY15 and FY16, to date, please list any purchase card spending by the agency, the employee making each expenditure, and the general purpose for each expenditure.**

RESPONSE:

The list of the purchase card spending is attached, with the name of the employee making each expenditure, and the general purpose for each expenditure for FY15 and FY16, to date. **See Attachment I.**

- 12. Please list all memoranda of understanding (MOU) entered into by your agency during FY15 and FY16, to date, as well as any memoranda of understanding currently in force. For each, indicate the date entered and the termination date.**

RESPONSE:

The list of all MOUs in place during FY15 and FY16, to date, is attached with the requested information provided. **See Attachment J.**

- 13. Please list the ways, other than memoranda of understanding, in which the agency collaborated with analogous agencies in other jurisdictions, with federal agencies, or with non-governmental organizations in FY15 and FY16, to date.**

RESPONSE:

During FY15 and FY 16, to date, the Office of Campaign Finance has collaborated with the Federal Elections Commission (FEC) on several issues. The OCF Office of the General Counsel (OGC) collaborated with the FEC Office of the General Counsel to discuss more effective ways in which to enforce judgments. The OCF also sought information from the FEC concerning the organizational structure of the federal agency and the format of their job announcements.

In addition, the OGC was in contact with analogous agencies in other jurisdictions including Maryland, Virginia, Connecticut, New York, Illinois and Ohio. The communication between these agencies primarily pertained to the proposed clean hands legislation. This legislation would have denied ballot access to current and former candidates who have unresolved fines with District government agencies. The research revealed that none of these jurisdictions had adopted such a measure. In addition, there was general concern about the constitutional implications of enacting clean hands legislation similar to the one proposed in November of 2014. The statutory or regulatory authority of the state agencies with similar missions/responsibilities was also probed for guidance on issues the Agency confronts. For example, the areas reviewed included the factors or scenarios considered in the evaluation of independent expenditures to determine what constitutes coordination with candidates; the treatment of contributions from trusts or the joint accounts of individuals; the impact of legislative proposals on agency operations (matching funds, clean hands); training approaches; and the types and format of information available at websites.

14. Please describe any anticipated spending pressures for FY16. Include a description of the pressure, the estimated amount, and any proposed solutions.

RESPONSE:

The Office of Campaign Finance does not anticipate spending pressures for FY16.

15. Please list all currently open capital projects, including an update on all capital projects under the agency's purview in FY15 and FY16, to date, including the amount budgeted, actual dollars spent, and any remaining balances. In addition, please provide:

- a. An update on all capital projects begun, in progress, or concluded in FY14, FY15, and FY16, to date, including the amount budgeted, actual dollars spent, and any remaining balances.
- b. An update on all capital projects planned for FY16, FY17, FY18, FY19, FY20, and FY21.
- c. Do the capital projects begun, in progress, or concluded in FY14, FY15, or FY16, to date, have an impact on the operating budget of the agency? If so, please provide an accounting of such impact.

RESPONSE:

The Office of Campaign Finance did not have any projects for which capital funds were available to the Agency, in FY14, FY15, and FY16. The Agency does not have capital projects planned for FY16, FY17, FY18, FY19, FY20, and FY21.

16. Please provide a list of all budget enhancement requests (including, but not limited to, capital improvement needs), for FY15 and FY16, to date. For each, include a description of the need and the amount of funding requested.

RESPONSE:

The Office of Campaign Finance did not present budget enhancement requests for FY15 and FY16, to date.

17. Please list, in chronological order, every reprogramming in FY15 and FY16, to date, that impacted the agency, including those that moved funds into the agency, out of the agency, and within the agency. Include the revised, final budget for your agency after the reprogrammings for FY15 and FY16. For each reprogramming, list the date, the amount, the rationale, and the reprogramming number.

RESPONSE:

There was one (1) reprogramming, in or out, of local funds in FY15, and one (1) reprogramming in FY 2016, to date, at the Agency's request. On April 10, 2015 (approved May 26, 2015), the Office of Campaign Finance requested the Reprogramming of \$111,525.00 of Fiscal Year 2015 Local Funds budget authority from Personal Services to

Non-Personal Services. Funds were needed to cover the cost of enhancements, upgrades, and additional maintenance for the E-Filing System available at www.ocf.dc.gov. (\$55,365.36); the Memoranda of Understanding with the Office of the Chief Technology Officer for support services for the OCF Server storage and back up (\$17,253.00), and with the Department of Human Resources for recruitment and staffing services (\$15,000.00); and for supplies and equipment (\$23,906.15). On February 10, 2016, the Office of Campaign Finance requested the Reprogramming of \$74,000.00 of Fiscal Year 2016 Local Funds budget authority from Personal Services to Non-Personal Services to cover the cost of annual maintenance and upgrades for the E-Filing and Disclosure System (\$51,744.00); and for other operational costs (\$22,256.00). **See Attachments K and L**, the Requests for FY15 and FY16 Reprogramming and the Chart of OCF FY2015 and FY2016 Reprogramming.

18. Please list each grant or sub-grant received by your agency in FY15 and FY16, to date. List the date, amount, and purpose of the grant or sub-grant received.

RESPONSE:

The Office of Campaign Finance did not receive any grant or sub-grant in FY15 and FY16, to date.

19. How many FTEs are dependent on grant funding? What are the terms of this funding? If it is set to expire, what plans (if any) are in place to continue funding?

RESPONSE:

The FTEs of the Office of Campaign Finance are not dependent on grant funding, and are funded solely through local funds.

20. Please list all pending lawsuits that name the agency as a party. Please identify which cases on the list are lawsuits that potentially expose the city to significant financial liability and/or will result in a change in agency practices, and the current status of the litigation. Please provide the extent of each claim, regardless of its likelihood of success. For those identified, please include an explanation about the issues involved in each case.

RESPONSE:

The Office of Campaign Finance, to date, is unaware of any pending lawsuits in which the Agency is named as a party.

21. Please provide the total number of administrative complaints or grievances that the agency received in FY15 and FY16, to date, broken down by source. Please describe the process utilized to respond to any complaints and grievances received and any changes to agency policies or procedures that have resulted from complaints or grievances received.

RESPONSE:

The Office of Campaign Finance received one (1) administrative complaint during FY15, and none to date in FY16. The complaint was an appeal from an Annual Performance Evaluation, during the FY14 rating period. The Agency convened a Reconsideration and Resolution Committee (RRC) pursuant to Chapter 14 of the District of Columbia Personnel Manual, to perform a paper review of all relevant documents in the matter, and to dispose of the issues cited in the complaint. The RRC's review resulted in a decision which closed the matter, and recommended the following to improve the internal operations of the Agency and employee development: (1) implement supervisor training in writing effective performance evaluations; (2) review Position Descriptions (PDs) for appropriate supervisory authority and the employee's current duties; (3) conduct informal mid-year performance reviews to provide employees with an accurate perspective on the quality and quantity of their work, as well as an opportunity to improve performance deficiencies prior to the next annual performance evaluation; and (4) implement mandatory training for all employees regarding the evaluation and rating process. The recommendations of the RRC Panel have been adopted by the Agency.

- 22. Please list and describe any ongoing investigations, audits, or reports on the agency or any employee of the agency, or any investigations, studies, audits, or reports on the agency or any employee of the agency that were completed during FY15 and FY16, to date, along with the agency's compliance or non-compliance with any recommendations.**

RESPONSE:

During FY15, the OCF referred one (1) matter involving allegations of misconduct by an employee to the Board of Ethics and Government Accountability (BEGA). The BEGA initiated an investigation which included interviewing members of the OCF staff and the examination of records. At the conclusion of the investigation, the BEGA dismissed the matter. The investigation was completed in FY15.

- 23. Please provide a copy of the agency's FY15 performance plan. Please explain which performance plan objectives were completed in FY15 and whether or not they were completed on time and within budget. If they were not, please provide an explanation.**

RESPONSE:

The copy of the FY15 Performance Plan and FY15 Performance Report for the Office of Campaign Finance are attached. **See Attachments M and N.** In FY15, the Office of Campaign Finance fully achieved all of its Initiatives on time and within budget as detailed in the Report.

- 24. Please provide a copy of your agency's FY16 performance plan as submitted to the Office of the City Administrator.**

RESPONSE:

The FY16 Performance Plan for the Office of Campaign Finance is attached as submitted to the Office of the City Administrator. **See Attachment O.**

- 25. Please provide the number of FOIA requests received for FY15 and FY16, to date. Include the number granted, partially granted, denied, and pending. In addition, please provide the average response time, the estimated number of FTEs required to process requests, and the estimated number of hours spent responding to these requests. If possible, please categorize the source of each request.**

RESPONSE:

During FY15 and FY16 to date, the OCF received four (4) FOIA requests from members of the media; one (1) was granted, and three (3) were denied. The responses to the requests that were denied were provided within one (1) day. The response to the request that was granted was provided within seven (7) days. The requests were processed by one FTE, and required a minimal amount of time.

- 26. Please provide a list of all studies, research papers, reports, and analyses that the agency prepared, or contracted for, during FY15 and FY16, to date. Please state the status and purpose of each. Please submit a hard copy to the Committee.**

RESPONSE:

First, on February 2, 2015, the Office of Campaign Finance issued and presented in an electronic format the 2015 Biennial Report of Contributions and Expenditures to the Mayor and the Council of the District of Columbia for the period from January 2013 through December 2014. The campaign finance laws require the Director to make a Biennial Report to the Mayor, the Council, and the general public, commencing January 31, 2001, and every two years thereafter, on January 31st. The report describes the receipts and expenditures of candidates for elective office, with the exception of ANC candidates, for the prior two year period, in dollar amount and percentage terms, by donor categories and size of the donation, and expenditure type. Graphs are used to present the percentage terms. The receipts and expenditures of the political committees must also be summarized. The Report was presented in an electronic and print format, and made available for members of the public at the OCF Web Site, the OCF Offices, and in the Washingtoniana Room of the Martin Luther King, Jr. Memorial Library. **See Attachment P**, the correspondence dated January 31, 2015 and addressed to the Honorable Kenyan McDuffie, Member of the Council of the District of Columbia from Ward 5, which forwarded the 2015 Biennial Report.

Second, the Office of Campaign Finance conducted extensive research and provided analyses on the following issues relative to improving the operations of the programs of the Agency:

1. Research FEC Audit Division Organizational Structure (copy attached).

2. Research “How does the FEC ensure that untimely filed reports and evidence are filed with their office after a fine has been imposed on a committee?”

In July 2015, the OCF staff communicated with Assistant Branch Chief, Laura Lien, of the FEC’s Reports and Analysis Division. Mrs. Lien stated that her division rarely has an issue receiving reports after fines have been imposed on committees. She explained that there is an incentive for committees to file their outstanding reports because they are given an opportunity to have their fines decreased if the reports are submitted prior to payment of the fines. Further, the OCF staff communicated with the FEC Audit Manager, Thomas Hintermister, during the same period. Mr. Hintermister stated that subpoenas are issued for the outstanding records if fines have been imposed and records are still needed for the completion of an Audit. Both methods are under consideration by the OCF as a means of achieving greater compliance.

3. Prepared analysis of research conducted by the Brennan Center for Justice on the impact of the Supreme Court’s decision in *Citizens United v. Federal Election Commission*, 558 U.S. (2010), on state and local elections, including distinguishing independent expenditures from coordinated expenditures.

The report examines the impact that the Supreme Court decision in *Citizens United*, 558 U.S. 310 (2010) is having on state and local elections. The Supreme Court’s decision in *Citizens United* held that governments may regulate money in politics, only when the regulation is designed to prevent quid pro quo corruption. The research conducted by the Brennan Center for Justice indicates that outside spending in state and local elections has surged since the *Citizens United* decision. The research concludes that the surge in spending may be attributed to the fact that wealthy contributors are aware that their spending can have a greater impact on state and local elections than federal elections because “outside contributors” can influence the outcome of state and local elections for far less than the millions of dollars required to influence a federal election. The report also indicates that there is a pattern of wealthy donors maxing out their direct support for candidates by making the maximum allowable contribution, and subsequently contributing additional funds to candidate-affiliated outside groups. Therefore, the outside groups in essence serve as vehicles to circumvent campaign contribution limits.

4. Finally, OCF researched campaign finance laws in neighboring jurisdictions (Maryland and Virginia) to ascertain and compare measures used to address late filings of Reports of Receipts and Expenditures by candidates seeking election to office in the respective states.

The Research Reports are attached. **See Attachment Q.**

During FY16, the Office of Campaign Finance will explore the legislative enactments of other jurisdictions, including California, Connecticut, Maryland, and Massachusetts, and their effectiveness relative to identifying the factors determinative of when an “independent expenditure” will be deemed “coordinated”, with a view towards the proposal of legislative recommendations. The Office of Campaign Finance has preliminarily researched the campaign finance statutes of Connecticut, California, and Massachusetts to review the circumstances, scenarios, or factors enumerated therein which may suggest coordination between a candidate and the outside spender of a purported independent expenditure. These legislative enactments

appear to further clarify, and assist with the enforcement of the prohibitions against the coordination of independent expenditures by candidates and political action committees, independent expenditure committees, or outside spenders, by specifying the types of activity which may be considered coordinated.

Personnel

1. **Please separately list each employee whose salary was \$100,000 or more in FY15 and FY16, to date. Provide the name, position number, position title, program number, activity number, salary, and fringe. In addition, state the amount of any overtime or bonus pay received by each employee on the list.**

RESPONSE:

The list of each OCF employee whose salary was \$100,000 or more in FY15 and FY16, to date, is attached with the requested information provided. **See Attachment R.**

2. **Please list in descending order the top 25 overtime earners in your agency in FY15 and FY16, to date. For each, state the employee's name, position number, position title, program number, activity number, salary, fringe, and the aggregate amount of overtime pay earned.**

RESPONSE:

There were no employees in the Office of Campaign Finance who earned overtime in FY15 and FY16, to date.

3. **Please provide each collective bargaining agreement that is currently in effect for agency employees. Please include the bargaining unit and the duration of each agreement.**

RESPONSE:

There is no collective bargaining agreement in effect for the employees of the Office of Campaign Finance.

4. **Does the agency conduct annual performance evaluations of all its employees? Who conducts such evaluations? What steps are taken to ensure that all agency employees are meeting individual job requirements?**

RESPONSE:

The Office of Campaign Finance conducts annual performance evaluations of all employees in accordance with the District of Columbia Personnel Manual. The evaluation of the performance of line employees is conducted by the Division Managers for the employees who are assigned to their respective Divisions. The Director evaluates the performance of the OCF Managers, namely, the General Counsel, the Audit Manager, the Public Affairs Manager, the Training Officer, and the Administrative Officer. The OCF Managers, as well as Supervisors serving

within a Division, are responsible for the evaluation of the employees who serve under their direct supervision. All employees are evaluated following the close of the performance plan period, which begins on October 1st and ends on September 30th of each year. A Performance Plan is developed for each employee to state goals which are directly related to the job duties and responsibilities of the position held by the individual, and support the mission of the Agency. The work of each employee is monitored and reviewed throughout the performance period to ensure the completion of projects and the accuracy of tasks assigned. Moreover, because a significant number of the outputs of the Office of Campaign Finance are time sensitive, this affords another marker by which to measure performance. Where the performance of employees requires improvement, the OCF Manager is required to plan divisional training, and to meet quarterly with the affected employees to reassess performance and provide feedback to ensure progressive career growth.

The Agency has implemented an informal mid-year review process designed to monitor the progress of employees, and to assist staff in overcoming any deficiencies in their performance. All Managers recently completed in the first Quarter of FY16, the “ePerformance for Supervisors”, Training which focuses on the enhancement of management skills in the planning, tracking, and documenting the performance of employees in the evaluation process. The OCF line employees were also provided training on the evaluation process.

The OCF Training Officer works with the OCF Managers to identify areas where training may improve or enhance the job performance of employees, on an individual basis, and to plan and locate educational opportunities for the employees at large on an annual basis through the DCHR Workforce Development Administration and with the D.C. Bar. During FY 2015, the Training Officer planned and scheduled Professional Development Courses for employees through the Workforce Development Administration; specialized training for the Audit Branch; and coordinated specialized training for the Office of the General Counsel through the D.C. Bar. **See Attachment S.**

AGENCY OPERATIONS

- 1. Please list each new program implemented by the agency during FY 15 and FY 16, to date. For each initiative please provide:**
 - a. A description of the initiative;**
 - b. The funding required to implement the initiative; and**
 - c. Any documented results of the initiative.**

RESPONSE:

I. FY15 Programs

First, in February 2015, the Office of Campaign Finance (OCF), consistent with the provisions of the “Campaign Finance Reform and Transparency Amendment Act of 2015”, made applicable January 31, 2015, introduced the Mandatory Training Program for new candidates and the treasurer of each newly organized political committee, political action committee, independent expenditure committee, and the Constituent Service and Statehood Fund Programs. The Program is designed to ensure compliance with the contribution limits, the prohibitions, and the reporting requirements of the Campaign Finance Act. The conferences were coordinated by the Office of

the General Counsel at the registration of the entity, and supported by the Audit and Public Information Divisions. At the conclusion of the training, each participant was required to swear or affirm to follow the Campaign Finance Laws, and a Certification of Attendance issued. The OCF conducted 12 mandatory entrance conferences and issued 16 Certifications. The names of the participants were posted at the OCF Web Site and included in the monthly production statistics of the Agency presented to the Board of Elections.

To evaluate the effectiveness of the educational seminars, including the mandatory training sessions, the OCF circulates surveys at the conclusion of each session to determine whether the presentations achieved acceptable satisfaction ratings. Of forty-seven (47) completed user surveys, the participants overwhelmingly responded favorably to the Public Training Sessions. A total of forty-seven (47) respondents rated the seminars as informative with relative topics; forty-six (46) respondents rated the facilitators as “Excellent” in the area Knowledge of Information and Clear Presentation; forty-one (41) respondents rated as “Excellent” the training material, and the facilitator in providing useful examples; and thirty-four (34) respondents rated the duration of the training as “Excellent”. **See Attachment T.**

Second, the Office of Campaign Finance fully implemented the Mandatory Online Filing Program for all financial reports filed by candidates and committees registered with the Agency. The provisions of the “Campaign Finance Reform and Transparency Amendment Act of 2013”, made applicable January 31, 2015, mandate the online submission of all financial reports , unless actual hardship is demonstrated in complying with this requirement. The OCF drafted regulations which were adopted on January 7, 2015 as proposed and on an emergency basis by the Board to fully implement the new mandatory training and electronic filing requirements of the Act. See the Notice of Emergency and Proposed Rulemaking, adopted by the Board of Elections on January 7, 2015, at its regularly scheduled Board meeting, and published in the D.C. Register on January 16, 2015. The emergency amendments to the rules expired on May 7, 2015. The Notice of Final Rulemaking was published in the D.C. Register on March 13, 2015 (62 DCR 3025).

Section 3006 of Chapter 30, “Campaign Operations: Committees, Candidates, Constituent Service Programs, Statehood Funds”, of Title 3 (Elections and Ethics) of the District of Columbia Municipal Regulations (DCMR), prescribes the procedures which govern the mandatory electronic filing of financial reports, including the steps and timeframes that must be followed to request an exception to the electronic filing requirement; and clearly states that the paper filing of the Report of Receipts and Expenditures will be considered a failure to file.

To notify the public of the mandatory online filing requirement, the Office of Campaign Finance published on November 17, 2014 at the OCF Website and Facebook Page, the “Notice of Significant Amendments to the Campaign Finance Act of 2011”; conducted onsite training sessions from December 4, 2014 through January 31, 2015 solely dedicated to instruction on the requirements of the new law, and continued to focus on the new reporting requirements during the Training Seminars scheduled throughout the 2015 Calendar Year (2015 Schedule of Training Seminars published at Website on January 29, 2015); advised all newly registered candidates and treasurers participating in the entrance conferences scheduled in December 2014 and in January 2015, and thereafter in mandatory training sessions of the changes in the law; notified registrants in January 2015 through the mailing of reminder letters on January 13, 2015 in the OCF Filer Pre-Notification Program; and published on February 3, 2015 at the OCF Website, a Notice of

the “Mandatory Requirements” for training and online filing. The Office of Campaign Finance also revised and republished on January 31, 2015 at the OCF Website, the Educational Brochures in all OCF Programs, the Campaign Finance Guide, and other content at certain links, consistent with the changes mandated by the “Campaign Finance Reform Amendment Act of 2013”. **See Attachments U, V, W, and X.**

The first statutory filing of the Reports of Receipts and Expenditures (the “R & E Report”) affected by the mandatory online submission requirement was the March 10th, 2015 due date for the R & E Report by candidates and committees active in the 2015 Election Cycle. On the March 10th, 2015 Filing Deadline, and on each of the approximately seven (7) statutory filing deadlines which occurred thereafter, 100 % of the timely filers on each date electronically filed their financial reports.

Last, the Office of Campaign Finance introduced Online Registration for Candidates and Committees. This new website feature allows the initiation of the registration process online once a secret code is requested from the Agency.

The FY15 Budget provided ample funding for the audit and enforcement responsibilities required by these programs through the increased staffing levels in both the Legal and Audit Divisions. The funding required to meet the cost of the new registration module was covered by the FY15 Maintenance Agreement for the E-Filing and Disclosure System.

II. FY16 Programs

The Office of Campaign Finance will continue to monitor the viability of those Programs introduced during FY15 to implement the mandatory online filing and training requirements of the Campaign Finance Reform Amendment Act of 2013”.

- 2. Please explain the impact on your agency of any legislation passed at the federal level during FY15 and FY16, to date, which significantly affected agency operations. If regulations are the shared responsibility of multiple agencies, please note.**

RESPONSE:

The Office of Campaign Finance is unaware of any legislation passed at the federal level during FY15 and FY16, to date, which would impact upon this Agency.

- 3. Please list all regulations for which the agency is responsible for oversight or implementation. Please list by chapter and subject heading, including the date of the most recent revision.**

RESPONSE:

The Office of Campaign Finance is responsible for the oversight and administration of the following enumerated Chapters of Title 3, “Elections and Ethics”, of the District of Columbia Municipal Regulations (DCMR) (June 2007, as amended). Following the effective date of the “Campaign Finance Reform and Transparency Amendment Act of 2013”, the Office of

Campaign Finance engaged in a comprehensive review and overhaul of existing Chapters 30 through 41 of Title 3 to conform the regulations governing the operations of the Agency to the requirements of the Reform Act. The OCF drafted regulations which were adopted as proposed and on an emergency basis on January 7, 2015 by the Board of Elections to fully implement the provisions of the Act which became applicable January 31, 2015, including the new mandatory training and electronic filing requirements, the new disclosure requirements for business contributors and bundled contributions, and the increased certifications required by the political committees, the political action committees, and the independent expenditure committees. See the Notice of Emergency and Proposed Rulemaking, adopted by the Board of Elections on January 7, 2015, at its regularly scheduled Board meeting, and published in the D.C. Register on January 16, 2015 (Volume 62, No. 3). The emergency amendments to the rules expired on May 7, 2015. The Board also gave notice of its intent to adopt the amendments in not less than thirty (30) days from the date of the publication of the Notice in the D.C. Register. The period for public comment expired on February 14, 2015. The Notice of Final Rulemaking was published in the D.C. Register on March 13, 2015 (62 DCR 3025).

The Regulations by Chapter are as follows:

- (1) Chapter 30, “Campaign Finance Operations: Committees, Candidates, Constituent Service Programs, Statehood Funds”. The most recent revision of this Chapter was the Notice of Final Rulemaking, published in the D.C. Register on March 13, 2015 (62 DCR 3025).
- (2) Chapter 31, “Lobbying”. The most recent revision of this Chapter was the Notice of Proposed Rulemaking, published in the D.C. Register on June 14, 2013 (Volume 60, No. 26). The Notice of Final Rulemaking was published on August 16, 2013 (Volume 60, No 35). The Chapter was repealed in its entirety.
- (3) Chapter 32, “Financial Disclosure”. The most recent revision of this Chapter was the Notice of Proposed Rulemaking, published in the D.C. Register on June 14, 2013 (Volume 60, No. 26). The Notice of Final Rulemaking was published on August 16, 2013 (Volume 60, No 35). The Chapter was repealed in its entirety.
- (4) Chapter 33, “Conflict of Interest and Use of Government Resources for Campaign Related Purposes”. The most recent revision of this Chapter was the Notice of Proposed Rulemaking, published in the D.C. Register on June 14, 2013 (Volume 60, No. 26). The Notice of Final Rulemaking was published on August 16, 2013 (Volume 60, No 35). The provisions of the Chapter pertaining to “Conflict of Interest” were repealed.
- (5) Chapter 34, “Campaign Finance Recordkeeping and Audits”. The most recent revision of this Chapter was the Notice of Final Rulemaking, published in the D.C. Register on March 13, 2015 (62 DCR 3025).
- (6) Chapter 35, “Minor Party Exemption”. The most recent revision of this Chapter was the Notice of Final Rulemaking, published in the D.C. Register on March 13, 2015 (62 DCR 3025).

- (7) Chapter 36, “District of Columbia Senator and Representative”. The most recent revision of this Chapter was the Notice of Final Rulemaking, published in the D.C. Register on March 13, 2015 (62 DCR 3025).
- (8) Chapter 37, “Investigations and Hearings”. The most recent revision of this Chapter was the Notice of Final Rulemaking, published in the D.C. Register on March 13, 2015 (62 DCR 3025).
- (9) Chapter 38, “Legal Defense Committees”. The most recent revision of this Chapter was the Notice of Final Rulemaking, published in the D.C. Register on March 13, 2015 (62 DCR 3025).
- (10) Chapter 39, “Campaign Finance Operations: Inaugural Committees”. The most recent revision of this Chapter was the Notice of Final Rulemaking, published in the D.C. Register on March 13, 2015 (62 DCR 3025).
- (11) Chapter 40, “Campaign Finance Operations: Transition Committees”. The most recent revision of this Chapter was the Notice of Final Rulemaking, published in the D.C. Register on March 13, 2015 (62 DCR 3025).
- (12) Chapter 41, “Campaign Finance Operations: Exploratory Committees”. The most recent revision of this Chapter was the Notice of Final Rulemaking, published in the D.C. Register on March 13, 2015 (62 DCR 3025).

4. Please identify any statutory or regulatory impediments to your agency’s operations, including any outstanding legislative requirements of the agency (e.g. implementation of rulemakings).

RESPONSE:

The FY13 Approved Budget, and subsequent Fiscal Year Budgets for the Office of Campaign Finance addressed sufficiently the personnel needs of the Agency which were realized through the enactment of several recent amendments to the Campaign Finance Laws. The new “Campaign Finance Act of 2011” is found in Title III of D.C. Law 19-0124, the “Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011” (the “Ethics Act”), effective April 27, 2012. The “Campaign Finance Act of 2011” established the Inaugural, Transition, and Legal Defense Committees, which must register and file financial reports with the Office of Campaign Finance, and imposed new reporting requirements and aggregate contribution and expenditure limitations for the Constituent Service Programs. Although the “Ethics Act” increased the audit and enforcement responsibilities of the Agency, the FY13 Budget for the Agency increased the OCF staffing level from 16 FTEs to 31 FTEs. Sufficient funding was also provided to procure the upgrades to the OCF Electronic Filing and Disclosure System, critical to the performance of our responsibilities under the new campaign finance laws. The FY14 Approved Budget for the Agency continued to fund the 31 OCF Continuing FTEs.

The provisions of D.C. Law 20-79, the “Campaign Finance Reform and Transparency Amendment Act of 2013”, made applicable on January 31, 2015, introduced more robust record keeping, reporting, and disclosure requirements. To prepare for the full implementation of this

Legislation, the Office of Campaign Finance through the approval on July 8, 2014 of the Reprogramming Request for \$45,000 of FY14 Local Funds budget authority within the Agency, requisitioned services in July 2014 for the upgrade and enhancement of the OCF E-Filing System to meet the technical requirements of the Act a committee or candidate by any person (other than a committee). The System enhancements and upgrades were introduced at the OCF Website on February 2, 2015.

The FY15 Budget for the Agency provided ample funding for the audit and enforcement responsibilities required by D.C. Law 20-79 through the continued funding of the increased staffing levels in both the Legal and Audit Divisions. The FY16 Revised Budget for the Office of Campaign Finance reduced the staffing levels from 31 Continuing Full Time Equivalents to 30 Continuing Full Time Equivalents, and eliminated the Paralegal Specialist DS-9 Position in the Legal Division.

As the Committee has been previously advised, the enforcement of the contribution limits against business entities and their affiliates was problematic for the Agency prior to the most recent amendments to the Campaign Finance Act. Formerly, the term “person”, as defined by D.C. Official Code Section 1-1161.01 (42), to mean “an individual, partnership, committee, corporation, labor organization, and any other organization”, was identified in the Act as authorized to make contributions to political committees, campaigns to support candidates for office, to exploratory, inaugural, transition, and legal defense committees, and to the Constituent Service and Statehood Fund Programs. The attribution of contributions by partnerships was addressed in D.C. Official Code Section 1-1163.34, and traditionally, contributions by corporations were treated as separate from those of their individual owners, unless circumstances dictated otherwise. The treatment of a contribution by “any other organization”, which included limited liability companies, was unclear.

Consequently, it was incumbent upon the Office of Campaign Finance in the first instance to attempt to determine the relationships between business entities where the contributions of entities which shared the same address or a common name were noted during the Desk Review of financial reports, to ensure that the contribution limits were not exceeded.

Under D.C. Law 20-79, the foregoing business practice is minimized where business contributors validate their contributions when made. The terms “affiliated entity”, “business contributor”, “control” or “controlling interest”, and “entity”, are defined collectively to mean that a business entity making a contribution and its affiliated entities as a “business contributor” share contribution limits. Of significance, the “business contributor” must disclose to a committee, when a contribution is made, the identities of the contributor’s affiliated entities that have also contributed to the committee, and certify for each contribution made that no affiliated entities have contributed an amount that when aggregated with the contribution would exceed the limits. The committee must then disclose on their financial reports the contribution by the business contributor and the identity of each of its affiliated entities that have also contributed to the committee. See D.C. Official Code Sections 1-1163.09, 1-1163.13, and 1-1163.33 and the business contributor must certify for each contribution made that no affiliated entities have contributed an amount that, when aggregated with the business contributor’s contribution, would exceed the limits (D.C. Official Code Section 1-1163.33 New par. (b)). These amendments as a whole where disclosure is made at the time of contribution, will result in the transparency of the

contributions received from business entities and their affiliated relationships on the face of the financial reports, and validate the legality of the contribution.

Notwithstanding, the disclosure of the business contributor information in the Reports of Receipts and Expenditures has not been forthcoming. Based on the encounters of the Agency during FY15 with the filing community through training sessions, and the conduct of the Desk Review process, compliance with the reporting requirement has been impeded due to the lack of a clear understanding of the law. In addition, the “Affirmation Statement For Business Contributor” Form developed by the Agency may be taxing in its requirement that the business contributor list the names of all of its owners and affiliated entities. The Campaign Finance Act limits the initial disclosure to the identity of all of the affiliated entities of the business contributor that have also contributed to the committee. The Agency will revise the Form, and propose the repeal, in part, of recent revisions to 3 DCMR Title 3, “Elections and Ethics”, to remove what appears to be the undue burden imposed by the Form upon committees reporting contributions from a business contributor. It should be noted, however, that during the course of an investigative proceeding, the Agency frequently exercises its authority to request, pursuant to D.C. Official Code Section 1-1163.13 (b)(3), information from the business contributor “about its individual owners, the identity of affiliated entities, the individual owners of affiliated entities, the contributions or expenditures made by such entities”, and any other information deemed relevant to enforcing the provisions of the Campaign Finance Act.

In addition, the Office of Campaign Finance will intensify its efforts to educate the filing community concerning the “business contributor” disclosure requirement. The Agency will reinforce through the mandatory entrance conferences, the onsite educational seminars, the Pre-Notification and Request for Additional Information Programs, and the OCF Website, the responsibility of the business entity at the time a contribution is tendered to provide the committee with the identity of each of its affiliated entities which have also contributed to the committee, and to certify for each contribution made that no affiliated entities have made a contribution that when aggregated with its contribution, exceeds the contribution limits; and the responsibility of the committee to collect and disclose the information on its reports of receipts and expenditures.

Occasionally, the Office of Campaign Finance is unable to locate an alleged filing entity or individual filer for the purpose of service of a notice of hearing, due to changes in address information, the suspension of the financial operations or activity of the entity or filer, and for other reasons. The Agency will propose amendments to 3 DCMR §§ 3709.4(f) and 3709.8(c) to include [service of process by electronic service] in an effort to increase hearing appearances. Implementation of the new rulemaking would require the creation of a new form (e.g., “*Consent to Electronic Service of Paper*”) to be completed by each filing entity or individual at registration, or at the request of OCF.

The U.S. Supreme Court declared aggregate limits unconstitutional in *McCutcheon v. FEC* 572, 134 S.Ct. 1434 (2014). However, to date, D.C. Official Code 1-1163.33(c)(1), which provides for aggregate limits has not been repealed. The provision provides: “No person, including a business contributor, may make any contribution in any one election for Mayor, Attorney General, Chairman of the Council, each member of the Council, and each member of the State Board of Education (including primary and general elections, but excluding special elections),

that when combined with all other contributions made by that contributor in that election to candidates and political committees exceeds \$8,500.”

5. Please identify all electronic databases maintained by your agency, including the following:

- a. A detailed description of the information tracked within each system;**
- b. The age of the system and any discussion of substantial upgrades that have been made or are planned to the system; and**
- c. Whether the public can be granted access to all or part of each system.**

RESPONSE:

The response is attached. See **Attachment Y**, the List of Electronic Databases.

6. Please provide a detailed description about any new technology acquired in FY15 and FY16, to date, including the cost, where it is used, and what it does. Please explain if there have been any issues with implementation.

RESPONSE:

During FY14, the Office of Campaign Finance upgraded and redesigned the OCF E-Filing and Disclosure System to use the latest Microsoft technologies (ASP.Net with MVC and SQL 2008 R2) and to conform to the specifications of the new Drupal Platform for the District Government Website. The technology upgrade and User Interface upgrades were moved to production on March 4, 2015. The additional functionalities listed below were developed and added during FY15:

- Statement of Candidacy Online Registration and approval by OCF
- Statement of Organization Online Registration and approval by OCF
- Linking registrations with reports
- Automated email notifications for new registration, filing and approval by OCF
- Automated summary report creation (by denomination, by donor type, expenditures)
- Quick Stats
 - Total Contributions by Denomination
 - Total Contributions by Contributor Type
 - Top 10 Committees by Total Contributions
 - Top 10 Committees by Total Loans
 - Recently Formed Committees
- Active Candidates
- Active Committees

The cost for the technology acquired was incurred during FY14 under PO498599-V2 - OCF E-Filing Redesign and Technology Upgrades (Total Cost: \$249,799.48); and the additional functionalities of the E-Filing and Disclosure System were included in the Contracts for OCF e-Filing System Enhancements approved during FY15, PO522889, Total Cost: \$55,365.36, approved July15,2015; and PO512224-V2, Total Cost: \$27,786.28, approved November 13, 2014.

7. What are your top five priorities for the agency? Please provide a detailed explanation how the agency expects to achieve or work toward these priorities in FY16.

RESPONSE:

The top five (5) priorities for the Agency during Fiscal Year 2016 are the following:

- (1) The timely, effective, and objective execution of the responsibilities of the Agency associated with core mission and support functions directly related to the collection and disclosure of financial reports, and monitoring, reviewing, and enforcement responsibilities for the candidates and committees who participate in the June 14, 2016 Presidential Preference and Local Primary Election. To accomplish this goal, the Agency will organize the conduct of site visits by the OCF Staff to the Early Voting Centers and to at least ten (10) of the Election Precincts operated by the Board of Elections in each of the eight Wards during the June 14, 2016 Primary Election, and to the business offices of the principal campaign committees of candidates participating in the election. The purpose of the site visits is to afford the Agency the opportunity to be present in the community and available to the public to respond to questions, and to assist the public in understanding their obligations under the Campaign Finance Act, and the role of the Office of Campaign Finance in administering the Act. Through the Audit Program, the Agency will ensure compliance with the reporting requirements, and the complete and accurate representation of campaign financial activity through the Desk Review of all Reports of Receipts and Expenditures filed with the Agency, and the conduct of at least four (4) periodic audits of the financial reports of active principal campaign committees following the December 10th, the March 10th, and the August 10th Filing Deadlines. Where there is noncompliance with the reporting requirements, the Office of the General Counsel will proceed with the initiation of enforcement actions (the informal hearing process/the initiation of complaints) to swiftly and fairly resolve these issues, and inform the public of the disposition. The Agency through the E-Filing and Disclosure System will provide real time disclosure of all financial reports electronically filed, and the data entry of all paper submissions to facilitate the disclosure of these reports within 48 hours of receipt. Overall, these efforts will collectively serve the public interest by ensuring that the electorate has accurate information upon which it can rely to make educated, informed decisions during the election process.
- (2) The development and deployment of an Online Survey at the OCF Website to assess the redesigned OCF E-Filing Applications and Web Site. As previously reported, the Office of Campaign Finance launched in FY 2013, the online Website Survey, which closed on January 15, 2013, to aid in the assessment of the services and features of the site. The Survey Analysis Report found that while most users were satisfied with the site information and services, some users experienced difficulty navigating the site, locating services, and with browser compatibility. Since June 2013, the OCF worked with the Office of the Chief Technology Officer to redesign the OCF homepage layout and navigation scheme. The redesign required the migration of the OCF database content and EFs applications to the new DC.Gov Drupal content management system. During FY 2014, the Office of Campaign Finance enlisted the

services of a vendor to assist with the redesign, rebuild, and integration of the EFs applications to the new DC.Gov Drupal platform. On April 15, 2015, the new OCF Website launched. The conversion of the website to the new easier web platform has improved navigation and performance, and provided a more citizen centric layout of information with a contemporary look and feel. The original OCF Website and E-Filing System were designed in Fiscal Year 2002.

Following the June 14, 2016 Primary Election, the Office of Campaign Finance will employ the new online survey to evaluate the effectiveness and efficiency of the new site to deliver information and services.

- (3) Introduce the Interactive Training Module, and explore other forms of social media to increase the public's access to information. The Office of Campaign Finance has developed an Interactive Training Module which will allow users to test their knowledge of the information presented. The Module will focus on the contribution limitations, the reporting of contributions from business entities and bundled contributions, and independent expenditures, the increased certifications, and other areas of the Campaign Finance Act which require specialized treatment. The duration of the Module is approximately 45 minutes, and will allow the user to pause and review information, as well as to return to previous screens. The content of the module is currently under review by the OCF Management Team, and will be moved to production once this process is completed. Because of the constant emergence of new technologies, the OCF will review the websites and communicate with high performing campaign offices in other jurisdictions and the Federal Elections Commission to research and explore the experience of the agencies with the various forms of social media (Twitter), and to determine the most current and effective web based communication techniques employed to disseminate educational and compliance information, while remaining cognizant of the Agency's resources. More specifically, the Agency will focus on the Washington State Public Disclosure Commission, which was voted in 2008 by the Campaign Finance Disclosure Project as the most effective disclosure website, and the Federal Elections Commission, which uses Webinars to present educational seminars to reach a larger audience and alleviate the expense and cost of travel. The Office of Campaign Finance continues to manage the Agency Facebook Page to promote the business of the Agency, and post information on a regular basis.

The Agency is aware that several District Government Agencies, including the Board of Elections, use Twitter to connect with the community and further expand their outreach to share information. The Agency is in discussions with the Board concerning the Board's management of its Twitter account.

- (4) Reinforce to the filing community through educational outreach the new reporting requirements, including the increased disclosures and certifications, the contribution limitations for the "Business Contributor" and its "Affiliated Entities", and the mandatory training and online filing requirements. The Agency will continue through this Fiscal Year to provide clear instruction and guidance on the new reporting requirements of the "Campaign Finance Reform Amendment Act of 2013, which were made applicable January 31, 2015, through the mandatory training conferences

for new candidates and treasurers; the onsite educational seminars scheduled throughout Calendar Year 2016; and the Pre-Notification and Request for Additional information Programs. The conferences and seminars provide the opportunity for participants to speak directly with Senior Staff concerning the application of the campaign finance laws, the audit and enforcement programs of the Agency, and the electronic filing of financial reports. The goal of the Educational Outreach Program is to promote voluntary compliance and deter future violation of the reporting requirements.

- (5) **Maintaining a High Performance Workforce.** The Office of Campaign Finance staffing level has increased dramatically from sixteen (16) to thirty (30) FTEs positions in less than three (3) Fiscal years. This staffing increase has also occurred in the midst of the significant amendment of the campaign finance laws. The Agency recognizes that its performance is directly traceable to employee performance. As a consequence, the Agency has developed its Educational Program to meet the training needs of both the public and its employees. The new positions were assigned to the Audit and Legal Divisions. During this Fiscal Year, the Agency has committed to ensure that staff has the training and knowledge to do their jobs. Although specialized training has been made available to the staff in their particular areas of expertise, the Agency must focus on their understanding of the campaign finance laws for which staff is expected to provide clear and consistent guidance to the public. Therefore, the Agency will schedule intense training for its staff in small groups weekly during April and May of 2016 to ensure their comprehension of the Campaign Finance Act, the OCF Regulations, and its business processes. The training will also include cross-training to increase campaign finance knowledge base and proficiency in related agency functions and operations.

8. Have there been any significant issues or impediments with the mandatory electronic filing of reports, pursuant to D.C. Law 20-79, the “Campaign Finance Reform and Transparency Amendment Act of 2013”, effective February 22, 2014, and applicable on January 31, 2015?

RESPONSE:

The Office of Campaign Finance has not experienced any significant issues or impediments with the mandatory electronic filing of reports, applicable January 31, 2015. To minimize the potential for issues with the application on January 31, 2015 of the mandatory electronic filing requirement, pursuant to the “Campaign Finance Reform and Transparency Amendment Act of 2013”, the Agency fully utilized its Educational Outreach Program to prepare the public to meet this change. Commencing in October 2014, the Office of Campaign Finance conducted Entrance Conferences for one (1) participant representing an Inaugural Committee (November 20, 2014) and for 33 participants, new candidates and representatives of political committees registered to participate in the 2015 Election Cycle (January 14, 2015 and January 16, 2015). The OCF used this vehicle to inform the new registrants of the most recent changes in the Campaign Finance Laws, including the mandatory training and online filing provisions; to address the reporting requirements and the contribution limitations; and to provide tips on recordkeeping and the use of the electronic filing system. In addition, the OCF scheduled informal training seminars to focus on the requirements of the Act on December 4, and 18, 2014, and on January 8, 15, 22, and

29, 2015. Thereafter, the onsite monthly educational seminars scheduled throughout the remainder of the 2015 Calendar Year also provided instruction on the most recent amendments to the Campaign Finance Act.

In February 2015, the OCF introduced the Mandatory Training Program for new candidates and the treasurer of each newly organized political committee, political action committee, independent expenditure committee, and the Constituent Service and Statehood Fund Programs. The Program is designed to ensure compliance from the onset of the campaign operation with the contribution limits, the prohibitions, the mandatory online filing requirement, and the reporting requirements of the Campaign Finance Act. The conferences were coordinated by the Office of the General Counsel at the registration of the entity, and supported by the Audit and Public Information Divisions. At the conclusion of the training, each participant was required to swear or affirm to follow the Campaign Finance Laws, and a Certification of Attendance issued. The OCF conducted 12 mandatory entrance conferences and issued 16 Certifications.

Moreover, the OCF published on November 17, 2014 at the OCF Web Site and Face Book Page, and enclosed in reminder letters on January 13, 2015, directed to the treasurers of committees under the Pre-Notification Program for the January 31, 2015 Filing Deadline, a Notice of the Amendments to the Campaign Finance Act of 2011, with the schedule of training dates; emailed on January 28, 2015, and mailed on January 30, 2015, a Notice to all candidates and treasurers of the changes affecting a contribution by a business entity and all of its affiliated entities; published at the OCF Web Site on January 30, 2015, the newly revised Campaign Finance Guide and Brochures, consistent with the provisions of the new law; published at the OCF Web Site on February 3, 2015, a news item concerning the online filing and training “Mandatory Requirements” of D.C. Law 20-79; and engaged in a comprehensive review and overhaul of the regulations which govern the OCF operations, Title 3 DCMR, “Elections and Ethics”, Chapters 30 – 41, to conform with the provisions of the “Campaign Finance Reform and Transparency Act of 2013”, made applicable January 31, 2015. The Notice was published in the D.C. Register January 16, 2015 (Volume 62, No. 3). The Notice of Final Rulemaking was published in the D.C. Register on March 13, 2015 (62 DCR 3025). The Office of Campaign Finance also revised consistent with the changes mandated by the “Campaign Finance Reform Act of 2013”, and republished on January 31, 2015 at the OCF Website, the Educational Brochures in all OCF Programs, the Campaign Finance Guide, and other content at certain links.

In February 2015, the Office of Campaign Finance fully implemented the Mandatory Online Filing Program for all financial reports filed by candidates and committees registered with the Agency, consistent with the provisions of the “Campaign Finance Reform Amendment Act of 2013”, made applicable January 31, 2015. Section 3006 of Chapter 30, “Campaign Operations: Committees, Candidates, Constituent Service Programs, Statehood Funds”, of Title 3 (Elections and Ethics) of the District of Columbia Municipal Regulations (DCMR), prescribes the procedures which govern the mandatory electronic filing of financial reports, including the steps and timeframes that must be followed to request an exception to the electronic filing requirement; and clearly states that the paper filing of the Report of Receipts and Expenditures will be considered a failure to file.

The first statutory filing of the Reports of Receipts and Expenditures affected by the mandatory online submission requirement was the March 10th, 2015 due date, and on this date, as well as on each of the approximately seven (7) statutory filing deadlines which occurred thereafter, 100 %

of the timely filers on each date electronically filed their financial report. Most certainly, the efforts of the Agency to educate the public contributed to the 100% compliance rate.

9. Please describe how OCF currently uses social media to fulfill its mission.

- a. How often does OCF post on Facebook?**
- b. Does OCF plan to create a twitter account?**

RESPONSE:

The Office of Campaign Finance utilizes the agency's Facebook Page to increase its transparency and extend its outreach to the public. The goal of the social media tool is to provide the public and targeted groups with pertinent information in a timely manner. The Facebook posts include information relative to onsite Mandatory Training requirements, the schedule for onsite training seminars, filing dates, the release of Orders, Audits, the effective date of new legislation affecting the Campaign Finance Laws, the availability of financial reports for viewing and summary contributor and expenditure information, and job opportunities at the OCF. Visitors to the Agency's Website are able to click the Facebook Icon and access the Facebook Page. To date there have been 134 "likes" to the page since going live on January 16, 2014. "Likes" or engagements are those persons who visit the site, read a post, share information, click or comment on a message. **See Attachment Z, the FY15 and FY16, to date, Face Book Stats.**

The Office of Campaign Finance is reviewing and strongly considering establishing a Twitter account realizing the tremendous benefits to the Agency and the public. The Twitter account would provide OCF with an additional social media platform from which to present pertinent information as it occurs in real time, and engage the public. Through Twitter, the OCF would further increase its transparency, audience, and ability to share information concerning the business of the Agency. The public would be able to respond to the tweets with questions, comments or concerns and have them addressed immediately. Twitter is a social media broadcast platform that provides interactive engagement and dialogue. The Agency would be able to track and address areas of concern that might be trending. Twitter, similar to the OCF Facebook Page is a free social media site. It is an important tool that would enhance OCF's transparency and increase the agency's social media outreach avenues and when needed provide the public a link to OCF's Facebook Page or website for additional information.

10. Please describe OCF's enforcement measures and actions in relation to campaign finance laws taken in FY15 and FY16, to date.

RESPONSE:

In general, the Office of Campaign Finance employs the informal hearings process as the initial stage of enforcement of the campaign finance laws when there is non-compliance. In the event that the matter is not resolved through the informal hearings process, pursuant to 3 DCMR § 3711.9, the OCF may file a Petition for Enforcement with the Board of Elections (BOE). If the matter remains unresolved after a Pre-Hearing Conference and a contested hearing before the Board, the General Counsel for the Board may seek a judgment against the respondent in the Superior Court for the District of Columbia which sustains the petition.

More specifically, during FY15, the Office of Campaign Finance, through its Office of the General Counsel (OGC), continued to pursue the enforcement of reporting deficiencies, stemming from filing deadlines commencing with the October 1, 2014 deadline (Reports of Receipts and Expenditures due from the Constituent Service and Statehood Fund Programs), through the informal hearing process. Enforcement actions serve as a deterrent to would be violators, and promote compliance by demonstrating to the regulated community that violations can result in the imposition of civil penalties.

The Agency issued 316 Notices of Hearings (includes 207 initial and 109 second hearing notices), many with a proviso to the affected non-filer to comply with the reporting requirement by a time certain, or to submit a notarized affidavit in support of the alleged inaction. For the most part, the Notices of Hearing resulted in the submission of the requisite reports, or affidavits in explanation of the failure to timely file. The Office of the General Counsel actually conducted 103 informal hearings; issued 211 Orders of the Director; and completed four (4) investigations on Show Cause Proceedings initiated as the result of complaints received by members of the public emanating from the 2014 Election Cycle. The Office of Campaign Finance also received and immediately addressed twelve (12) requests for advice concerning election related issues associated with both the 2014 and 2015 Election Cycles.

On the statutory deadlines during FY15, the Public Information and Records Management Division (the "PIRM") referred two hundred and seventeen (217) (108 PCCs, 66 PACs, and 43 ANC candidates) candidates and committees for the failure to file or timely file the Report of Receipts and Expenditures, due either October 10th, the 8 Day Pre- General November 4, 2014 Report, December 10th, January 31st, February 3, March 10th, the 8 Day Pre-Special April 28, 2015 Election Report, June 10th, July 31st, or August 10th.

In addition, the Reports Analysis and Audit Division (the "RAAD") referred forty-six (46) reporting entities to the Office of the General Counsel for failure to comply with Requests for Additional Information issued by the Audit Division. The RAAD withdrew five (5) referrals upon compliance with the Audit Request, and the OGC scheduled the remaining matters for informal hearings.

Following the informal hearing process, two hundred and eleven (211) Orders were issued in cases to address the failure to timely file financial reports (163) and to respond to audit requests for information (26); to reconsider fines imposed (seven (7)); to vacate prior orders where fines were paid (fourteen (14)), and to dismiss a complaint (one (1)). Fines were imposed in the total amount of \$111,800.00 in seventy-one (71) of these cases, and the remaining one hundred and forty (140) cases were either dismissed, withdrawn, or the imposition of a fine suspended based upon the record before the Hearing Officer.

The fines were paid in (\$3,075.00) in five (5) cases, and vacated or reduced (\$13,675.00) in nine (9) matters upon motions for reconsideration. Where fines were not paid within the period provided by the Order of the Director, the Office of Campaign Finance initiated enforcement proceedings before the Board of Elections to pursue the collection of outstanding fines. The Office of Campaign Finance filed a total of thirty-eight (38) Petitions for Enforcement before the Board on October 30, 2014, November 24, 2014, June 2, 2015, and August 19, 2015 for the payment of outstanding fines in the total sum of \$59,200.00. These cases were scheduled for Pre-Hearing Conferences on December 18, 2014, January 21, 2015, April 21, 2015, and May 6,

2015. The August 19, 2015 referrals were scheduled for Pre-Hearing Conferences on October 5, 2015. Of the 38 cases referred, two (2) cases were withdrawn, eight (8) cases were settled for reduced fines, ten cases are scheduled for hearing before the Board during FY 2016, and twenty-eight (28) matters were certified by the Board for the initiation of enforcement actions in the Superior Court. Fines in the total sum of \$35,850.00 imposed in an additional nineteen (19) cases were not ripe for transmission to the Board for enforcement during FY 2015. These cases were filed before the Board on November 9, 2015, and are pending further Board proceedings.

Because of the demonstrated ability of the Agency to consistently monitor and enforce the reporting requirements, a high level of compliance with the reporting deadlines has been maintained in general for all programs administered. In most instances, irregularities were resolved before the next filing deadline in accordance with the OCF Standard Operating Procedures. During FY 2015, a 100 % filing rate was achieved in the Constituent Service and Statehood Fund Programs; a 94% filing rate was achieved in campaign finance disclosure based on the actual filings by principal campaign committees, political committees, and political action committees; and a 92% filing rate was achieved by candidates for the Office of Advisory Neighborhood Commission Member based on the actual filings of these candidates.

More specifically, 56 of the 56 required filers in the Constituent Service and Statehood Fund Programs filed the Report of Receipts and Expenditures (OCF Forms 10 and 28) for their respective Programs; 890 of the required 946 principal campaign committees and political action committees filed the Report of Receipts and Expenditures (OCF Form 16); and 355 of the required 384 ANC candidates filed the Summary Financial Statement for ANC Candidates (OCF Form 18).

Overall, there were 1386 required filers in all of the Campaign Finance Programs: 1168 timely filers; 133 late filers; and approximately 85 filers who remain delinquent. The total number of actual filers represents 94% (95% in FY14) of the total required filers who complied with the reporting requirements during Fiscal Year 2015.

During FY16, to date, the Office of the General Counsel has conducted 24 informal hearings to address the failure to file or timely file financial reports, or the failure to respond to Requests for Additional Information; coordinated training conferences and participated in Mandatory Training Conferences; filed 19 Petitions for the Enforcement of Orders imposing Fines before the Board of Elections; and recommended the issuance of six (6) expedited responses to requests for advice.

11. Please explain the methods in which OCF informs the public about the conduct, activities, and financial operations of candidates, political committees, exploratory committees, transition, inaugural, legal defense committees, and constituent service and statehood fund programs?

RESPONSE:

The Office of Campaign Finance fully utilizes the Agency Website, the Facebook Page, the Email Subscription Service, the Biennial Reports, and the Monthly Production Statistics, to inform the public about the conduct, activities, and financial operations of the candidates, political committees, exploratory, transition, inaugural, and legal defense committees, and the

Constituent Service and Statehood Fund Programs. The OCF Website offers features and services designed to provide campaign finance data in user friendly and accessible formats, including the following:

(1) Data and Reports Link

- (a) Financial Reports – Real time images of the financial reports filed with the Agency generated by the E-Filing Application or through the data entry of paper submissions are available, from 2006 through the current reporting period, for public inspection, and may be searched by Filer Type, Filing Year, and Report Name; and Reports and Summaries of Contribution Information by Denomination and Donor Type and Expenditure Information by Type, with visuals (pie charts) to denote percentages, are generated by the OCF Database when financial reports are submitted, and made available for public inspection. The Reports and Summaries may be searched by Filer Type, Filing Year, and Report Name.
- (b) Contributions and Expenditures – This Search Feature provides access to all contributions and expenditures reported from 2003, through the current reporting period, and allows the public to use several different criteria to define the results required and search contribution data (i.e., the contributor’s name, recipient, report name, amount, date of contribution, contributor’s location, and contribution type), or expenditure data (i.e., the payor, the report name, the amount, the date, the payee, the payee location, and the expenditure type).
- (c) Registration Disclosures – This Search Feature allows the public to search the OCF Database to view the Electronic Disclosure of Registration Statements filed with the Agency by candidates/principal campaign committees, political action committees, Constituent Service Programs, and others. To define the results required, the user may select Filer Type, Election Year, and Committee Name. For example, the Filer Type “candidate” search result will display for the Election Year selected, the names of all candidates who have registered to participate in that election cycle, their Party Affiliation and the Office for which election is sought. The user may then select a specific candidate, to view the candidate’s Statement of Registration, Committee Statement of Organization, Filing History (i.e., Report Name and coverage period) And Enforcement/Complaints. The “Enforcement/Complaints” history is in development and requires the connection of the Informal Hearing Orders and the Audit Reports modules with the respective candidate/committee. Once completed, the Enforcement/ Complaints records (Orders and Audit Reports) for the selected candidate/committee in the Agency will be listed with the Docket Number, the Order Type, the Issuance Date, and Comments.
- (d) Biennial Reports – This Search Feature allows the public to search and select for public inspection the Biennial Reports of the Agency, by date, from which to view the summary of the receipts and expenditures of candidates for public office and committees for the prior two year period. The Biennial Reports provide a historical context of the money spent in DC Elections. For the coverage period selected, the contributions are sorted by denomination and donor type, and the expenditures by type, with graphs (pie charts) to visualize the percentages of the reported information.

- (e) Summary of Campaign Finance Reports – This Search Feature allows the public to select by calendar year and month, the Monthly Production Reports of the Office of Campaign Finance from which to view the activity of the Agency, including financial reports received, the names of committees who failed to file, new candidate and committee registrations, mandatory training conferences conducted, desk reviews conducted, audit reports, interpretative opinions, and informal hearing orders issued, the list of ongoing audits and investigations, fines issued, and petitions for enforcement filed before the Board of Elections. The Monthly Production Report of the Agency is presented at the open meetings held by the Board of Elections.
- (f) Affiliated Entity Search – This Search Feature allows the public to search contributions to identify contributions by a business entity, where the filer has listed all of the affiliated entities of the business contributor which have also contributed to the filer. The business contributor and its affiliated entities share the contribution limits imposed by the Campaign Finance Act. The user must select the criteria that best defines the results required (i.e., the recipient, the report name, the amount, the date, the contributor, the contribution location, and the contribution type).
- (g) Active Candidates List – This Search Feature provides the public with active lists based on the Election Year selected of Candidates with Committees and without Committees. The Active Candidates List displays for the Election Year selected, the candidate name, committee name, election year, party, and office.
- (h) Active Committees List - This Search Feature provides the public with active lists of committees for the Election Year and Filer Type selected (includes principal campaign committees, political action committees, initiative, referendum, and recall committees, inaugural, legal defense, transition, exploratory and independent expenditure committees, and the Constituent Service and Statehood Fund Programs). The Active Committees List displays for the Filer Type and Election Year selected, the registration date of the committee, and the totals reported for contributions, expenditures, and loans.
- (i) Quick Stats – This Search Feature gives the public a quick view of various statistics maintained by the OCF specific to Principal Campaign Committees for the Filing Year selected, including the Total Contributions by Denomination, the Total Contributions by Contributor Type, the Top 10 Principal Campaign Committees by Total Contributions Received, the Top 10 Principal Campaign Committees by Total Loans Received, and a list of the Recently Formed Principal Campaign Committees with the organization date. Graphs are used to depict the percentage terms of the various statistics.

(2) Services Link

- (a) Contributions by Geography – This Service allows the public to search and view contributions by selection criteria for Election Year, Office, or Committee. The results provide the total contributions and of this amount, the contributions from the District of Columbia, for the office/ candidates/committee and election year selected, with a visual (pie chart) showing the percentage of contributions from the District of Columbia. A

map is used to display the totals broken down by Zip Code within the District of Columbia.

- (b) Download Campaign Finance Filer Data – This Service allows the public to download data obtained from financial reports electronically filed or entered from paper submissions into the OCF Database. The information may be searched, sorted, viewed, and exported from the database into different formats, including PDF, Excel, CSV or XML. The user can organize and analyze the data in greater detail.

The Office of Campaign Finance also uses the Website to disseminate News Releases, to announce upcoming filing deadlines for the submission of financial reports, and to publish Audit Reports, Investigative and Informal Hearing Orders, and the schedule of Educational Training, to which the public is invited. The Campaign Finance Guide and the Educational Brochures are also available for public view at the Website. The Guide summarizes the procedures and guidelines which govern the registration, financial reporting, and disclosure requirements of candidates, committees, and elected public officials in the District of Columbia. The Brochures offer critical information in a more concise fashion.

The Agency continues to use the OCF Facebook Page to further extend educational outreach to the public through the posting daily of upcoming training, filings, the release of orders and audits, and links to new features at the Website. Social website users are referred by the OCF Face Book Page to the Agency’s Website for more detailed information where appropriate, and links are provided to aid in that process. An Icon is provided at the OCF Website to select and connect with the Page.

The email subscription service invites members of the public to subscribe, indicating their preferences, to receive email updates on the issuance of final decisions in investigative cases, audit reports, and interpretative opinions; filing deadlines; and OCF news. As of September 30, 2015, 323 new members of the public elected to use the service during FY 2015 (1099 total subscribers).

Lastly, the Office of Campaign Finance reports monthly to the Board of Elections during its regularly scheduled meetings on the activity of the Agency for the previous thirty (30) day period. The Agency Report details the financial reports received, the failures to file, the new candidate and committee registrations, the mandatory training conferences conducted, the number of desk reviews conducted, audit reports issued, the status of ongoing audits and investigations, the imposition of any fines, and the filing of any petitions for enforcement with the Board.

12. What has the agency done in the past year to make the activities of the agency more transparent to the public?

- a. In addition, please identify ways in which the activities of the agency and information retained by the agency could be made more transparent.**

RESPONSE:

During FY15, the Office of Campaign Finance initiated and completed several projects which were designed to make both the operations of the Agency and the data it collects more transparent.

First, of significance, the Office of Campaign Finance launched the new OCF Web Site on April 15, 2015, which converted the site to a new easier web platform, updated the content, improved navigation and performance, and provided a more citizen centric layout of information with a contemporary look and feel. As this Committee has been previously advised, the Office of Campaign Finance conducted an online web site survey during FY 2013 to assess the OCF E-Filing System and Web Site. The April 11, 2013 Survey Analysis Report found that most users were satisfied with the site information and services, while some users experienced difficulty navigating the site, locating services, and with browser compatibility. To address these issues, the OCF worked closely with the Office of the Chief Technology Officer to redesign the OCF homepage layout and navigation scheme. Because the redesign required the migration of the OCF database content and EFs applications to the new DC.Gov Drupal content management system, the Agency enlisted the services of a vendor during FY14 to assist with the update of the content, and the redesign, rebuild, and integration of the EFs applications to the new DC.Gov Drupal platform. The original OCF Web Site and E-Filing System were designed in FY 2002.

Second, the Office of Campaign Finance continued to place a strong organizational focus on achieving voluntary compliance through educational outreach. The OCF scheduled and conducted bi-weekly training sessions, commencing December 11, 2014, through January 31, 2015, on the new amendments to the Campaign Finance Act which became applicable January 31, 2015. The Office of Campaign Finance conducted Entrance Conferences for newly registered candidates and political committees. The Entrance Conference was designed to foster compliance with the Campaign Finance laws. The conferences were coordinated by the Public Information Division, and supported by staff from the Audit and Legal Divisions. The conferences were held on November 20, 2014 (one (1) participant), January 14, 2015 (fifteen (15) participants), January 16, 2015 (eighteen (18) participants), January 22, 2015 (three (3) participants), and January 29, 2015 (six (6) participants). The names of the 43 participants were posted at the OCF Web Site and included in the monthly statistics of the Agency presented to the Board.

In February 2015, the OCF introduced the Mandatory Training Program for new candidates and the treasurer of each newly organized political committee, political action committee, independent expenditure committee, and the Constituent Service and Statehood Fund Programs. The Program is designed to ensure compliance with the contribution limits, the prohibitions, and the reporting requirements of the Campaign Finance Act. The conferences were coordinated by the Office of the General Counsel at the registration of the entity, and supported by the Audit and Public Information Divisions. At the conclusion of the training, each participant was required to swear or affirm to follow the Campaign Finance Laws, and a Certification of Attendance issued. The OCF conducted 12 mandatory entrance conferences and issued 16 Certifications. The names of the participants were posted at the OCF Web Site and included in the monthly statistics presented to the Board of Elections.

The on-site informal educational seminars were scheduled during FY15 for candidates, political committees, and any other interested parties who participated in the 2014 and the 2015 Election Cycle, or registered to participate in the FY 2016 Election Cycle. Training was also made available for the Treasurers of the Constituent Service and Statehood Fund Programs. The training sessions focused on educating the filing community about the reporting requirements of the Campaign Finance Act of 2011, as amended, and the OCF Electronic Filing and Disclosure System. The Seminars were held in the Office of Campaign Finance on a monthly basis, and commenced on February 12, 2015 and continued through December 10, 2015.

The Notices of the Training on the Significant Amendments to the Campaign Finance Act of 2011 and the 2015 Schedule of Training Seminars were published at the OCF Web Site and Face Book Page on November 17, 2014, and on February 3, 2015; distributed through the mailing of reminder letters to reporting entities; and posted in the Public Information Division of the Agency. Overall, the Office of Campaign Finance conducted nineteen (19) Training Seminars with a total of 81 participants.

Third, the Agency introduced several new upgrades and enhancements to the E-Filing and Disclosure System to further facilitate transparency by providing access to financial data in user friendly formats, and to fully implement the most recent changes in the Campaign Finance laws, mandated by the “Campaign Finance Reform and Transparency Amendment Act of 2013.

On February 2, 2015, several upgrades to support the technical requirements of the Act were made available at the OCF Web Site to coincide with the application of the provisions of the new law on January 31, 2015, including the availability of the Database via bulk download from the portal web site for all new filer types in the data download (the political committee, the political action committee, and the independent expenditure committee); the upgrade of the biennial report module to report the contribution and expenditure information of candidates for the Office of Attorney General, political action and independent expenditure committees, and political committees, to include the inaugural, transition, exploratory, legal defense, and ballot measure committees; the upgrade of the registration and e-filing modules to accept the administrative registration, online filing, and real time disclosure of the financial reports of the newly established independent expenditure committees, with additional disclosures in the statement of organization for political committees and political action committees; the increased disclosures on Schedule A of the Report of Receipts and Expenditures (R & E Report) of information pertaining to the affiliated entities of business contributors that have also contributed to the filer, and on Schedule B of the R & E Report for expenditures made by political action committees and independent expenditure committees; the modification of the oaths or affirmations of the R & E Reports by committees to include new certifications; the development of the new Schedule A-7 on the R & E Report to report two (2) or more bundled contributions in excess of \$10,000, and to identify the individual responsible for collecting the contributions; and the development of an e-filing application to report independent expenditures exceeding \$50 made to other than a committee or candidate by any person (other than a committee).

To better regulate the contributions of business contributors, the OCF has implemented a public search module based on the listing of affiliated entities. When a filer reports a contribution by a business entity, the filer is required to list all of the affiliated entities of the entity who have also contributed to the filer as the business contributor and its affiliated entities share the contribution limits imposed by the Campaign Finance Act. The E-Filing System tracks the contributions by

the affiliated entities to make sure that the total contributions by an organization and its affiliated entities remain within the regulated contribution limit. In the event of an excessive contribution, a warning is displayed to the filer during the e-filing process. The OCF uses this feature internally to produce lists following each filing deadline to monitor the contributions of business entities.

In addition, several new public search modules were developed in FY 2015, and moved to production on October 26, 2015. The OCF E- Filing and Disclosure System was enhanced to capture and offer “Quick Stats”, the “Active Committees List”, the Active Candidates List”, and the “Registrant Disclosure Search”. The “Quick Stats” option gives the public a quick view of various statistics maintained by the OCF specific to Principal Campaign Committees for the Filing Year selected, including the Total Contributions by Denomination, the Top 10 Principal Campaign Committees by Total Contributions Received, the Top 10 Principal Campaign Committees by Total Loans Received, and a list of the Recently Formed Principal Campaign Committees. Graphs are used to depict the percentage terms of the various statistics. The “Active Committees List” and the “Active Candidates List” provide the public with active lists based on the election year selected of Candidates with Committees and without Committees, and Committees by Filer Type (including principal campaign committees, political action committees, initiative, referendum, and recall committees, inaugural, legal defense, transition, exploratory and independent expenditure committees, and the Constituent Service and Statehood Fund Programs).

The Active Committees List displays for the filer type selected the totals reported for contributions, expenditures, and loans. The Active Candidates List displays for the Election Year selected the candidate name, committee name, election year, party, and office. The Registrant Disclosure Search offers a complete disclosure of the registration of a candidate/committee, the history of their filings in the Agency, and information related to enforcement actions, complaints or audit reports involving the registrant. To reach a greater audience, the OCF posted a link to the Quick Stats, the Active Lists of Candidates and Committees, and Registrant Disclosure Search at the Agency Face Book Page.

Fourth, to further demystify the operations of the Agency and engage the public, the Office of Campaign Finance dispatched staff to visit eighty-one (81) Election Precincts located throughout the 8 Wards during the November 4, 2014 General Election, and to four (4) Early Voting Centers prior to the General Election on October 27, 2014 and October 28, 2014. During the April 28, 2015 Special Election, the OCF staff conducted site visits at thirty (30) Election Precincts located in Wards 4 and 8, and to two (2) Early Voting Centers prior to the Special Election on April 23, 2015. The OCF staff visited the campaign offices of four (4) candidates who participated in the November 2014 General Election during October 2014.

The visits afford the Agency the opportunity to observe the financial operations of registered entities, the activity around the perimeter of the Early Voting Centers and the Election Precincts to ensure compliance with the reporting requirements; to counsel individuals who may engage in activity which runs afoul of the Campaign Finance Laws; and to initiate enforcement actions where there is noncompliance. More importantly, the OCF staff is accessible to the public, available to respond to questions, and to assist the public in understanding their obligations under the Campaign Finance Act of 2011, as amended, and the role of the Office of Campaign Finance in administering the Act.

The OCF found at the Election Precincts that the markers were present for the placement of campaign literature, that the literature contained the appropriate disclaimer language, and that the campaign literature was properly posted outside the marked area. During the campaign office site visits, staff inquired about the mechanics of the campaign operations, and how the campaigns handled contributions and expenditures. The OCF staff was available to answer questions, and cautioned candidates concerning the proper disclaimer language for campaign posters.

The Office of the General Counsel continued to maintain the email address, ocf.gc@dc.gov, established in April 2013 through the Office of the Chief Technology Officer, from which the public may seek information concerning cases pending adjudication before the Agency. The language “Any inquiries regarding this Notice of Hearing should be sent to ocf.gc@dc.gov” is placed in the OGC “Notice of Hearing, Statements of Violations and Order of Appearance” Form issued to notify Respondents of the scheduling of hearings on alleged violations of the Campaign Finance Act. The email address affords the public an additional vehicle through which to communicate with the OCF relative to legal and related matters, including the status of scheduled hearings, Orders of the Director, and Petitions for Enforcement before the Board of Elections; the identity of the hearing officer assigned to a particular matter; information on how to file a Motion for Reconsideration; and the balance due on a fine imposed.

During FY16, to date, the Agency on February 19, 2016 introduced the newly revised Online Training Tutorials at the OCF Website to provide instruction for the successful electronic submission of financial reports. The development of an Interactive Training Module is ongoing, and will be introduced at the Website during this Fiscal Year. Lastly, the Office of Campaign Finance will develop a comparative study of the contribution and expenditure data compiled from the OCF Biennial Reports to depict trends in the levels of contributions received and expenditures made in the elections for selected offices during selected election cycles.

13. Please detail the auditing process, including any improvements or changes made.

- a. The Office of Campaign Finance previously reported that it expanded the Audit Program to incorporate the random audit of active principal campaign committees during the election cycle, and the full field audit of the principal campaign committees of newly elected public officials. How many random audits were performed in FY15 and FY16, to date?**

RESPONSE:

The Reports Analysis and Audit Division (RAAD) is responsible for performing audit analysis and reviews of all financial reports and other documents received in the Agency. The Division conducts field audits and investigations based upon deficiencies and conditions noted during Desk Audit Reviews. The Division conducts periodic random field audits of the financial reports submitted in each of the OCF Programs, and compiles statistical reports and summaries on all reports of receipts and expenditures submitted by candidates, committees, and the Constituent Service and Statehood Fund Programs. This program area is the primary generator of compliance actions through audits and the monitoring of the financial disclosure of the Constituent Service and Statehood Fund Programs, candidates, political committees, political action committees, and

independent expenditure committees, and all others required to file with the Agency. Section 3404, “Desk Reviews and Audits”, Chapter 30 of Title 3, “Elections and Ethics”, of the District of Columbia Municipal Regulations, sets forth in detail the procedures which govern the conduct and timeframes of Desk Reviews, Full Field Audits, and Periodic Random Audits.

More specifically, the Division conducts Desk Reviews of each Report of Receipts and Expenditures filed with the Agency, and employs the Request for Additional Information (RAFI) process to achieve voluntary compliance where reporting deficiencies are noted during the desk review of the financial reports. The Audit Branch refers Requests for Additional Information to the Office of the General Counsel for the initiation of the enforcement process where there is noncompliance with the request.

The Office of Campaign Finance determines the validity and/or absence of information contained in financial reports through the conduct of desk reviews, full field audits, and random periodic audits. The initiation of these processes allows the Audit Division to require the submission of the documentation, including bank account information, statements, cancelled checks, and loan documents, underlying the financial transactions and activity reported on the reports where reported information is incomplete, omitted, or otherwise requires further explanation.

Through the review of the submitted documentation, the Audit Branch is able to research and verify the accuracy of the transaction stated on the financial reports against the records of the reporting entity, and identify transactions which were not reported. For example, the research of bank statements and contributor source documents (contributor checks, contributor cards, in-kind contribution information, and credit card contribution records) may reveal deposits which were not reported as receipts on Schedule A of the Reports of Receipts and Expenditures. This non-disclosure would require the subsequent amendment of the financial reports to report the receipts and correctly state the cash on hand balances. Expenditures are traced to source documents including billing statements, invoices, memorandums, and cancelled checks. The research of bank statements and the expenditure source documents may also substantiate expenditures which were not previously reported, and for which an amended accounting will also be required. The examination of actual source documents allows verification of the purpose for which funds were expended, the exact amount expended, and the appropriateness of the expenditure for the scope of the reporting entity.

During Fiscal Year 2015, the Office of Campaign Finance conducted 1103 (includes Amended Reports) Desk Reviews of all Reports of Receipts and Expenditures filed with the Agency by candidates, committees, and the Constituent Service and Statehood Fund Programs. All Desk Reviews were completed before the next reporting period of the respective entity. The Standard Operating Procedures of the Desk Review Process (Request for Additional Information RAFI) were revised to include additional reviews of contributions from trusts, require the submission of source documents where ten (10) or more contributions are received by a candidate/committee during a reporting period from individuals on or about the same date or from the same place of employment to determine the circumstances of the fundraising/event; where potential excessive contributions are noted from a “business contributor” and its affiliated entities; and the inclusion of standard language in the RAFI letter to remind filers of the requirement to list the names of the affiliated entities of business contributors that have also contributed to the filer. The responses to the RAFIs are scanned (by PIRM) to create stored records.

The Desk Reviews ensure that the public record provides a full and accurate portrayal of the financial operations and activities of campaigns, and the Constituent Service and Statehood Fund Programs. The Desk Reviews resulted in the issuance of 332 Requests for Additional Information directed to reporting entities to advise of deficiencies, and to extend the opportunity for compliance with the requirements of the Campaign Finance Act. 193 reporting entities complied with the request of the Audit Division, and submitted the necessary information. Ninety-three (93) responses were due in FY 2016, and the information has been received. The Audit Division referred forty-six (46) cases to the Office of the General Counsel for enforcement where there was a failure to respond to the request for additional information. RAAD assisted in the termination of twenty-three (23) political committees, following the review and approval of their Final Report of Receipts and Expenditures.

The Audit Branch initiated a total of twenty-nine (29) periodic random audits, and recommended the issuance of twenty-seven (27) Audit Reports of candidates and principal campaign committees active in the 2014 Election Cycle (12); candidates and principal campaign committees active in the 2015 Election Cycle (1); political action committees (4); continuing committees (6); and the Constituent Services Program (4). The OCF initiated four (4) full field audits of the campaign operations of candidates newly elected to public office following the certification by the Board of Elections of the results of the November 4, 2014 General Election and the April 28, 2015 Special Election, and of one (1) Inaugural Committee. The full field audits are ongoing. The two (2) periodic random audits which remained open at the close of the Fiscal Year were referred to the Office of the General Counsel due to noncompliance issues.

The selection of a financial report for periodic audit requires the affected reporting entity to submit all banking records and statements, invoices, and receipts maintained in support of the contributions and expenditures reported in the coverage period of the selected filing. This enables the Audit Division to verify report entries against the supporting documentation. The Audit Branch must also evaluate all records presented to ensure compliance with the campaign finance laws. The conduct of random periodic audits ensures that reporting entities understand the reporting requirements of the Campaign Finance Act, and promotes future compliance. Moreover, the field audit of principal campaign committees which are active during an election cycle permits the Office of Campaign Finance to timely track and verify reported campaign activity; to identify apparent violations or question transactions; and to require the committee to respond to audit findings and correct the public record. The public interest is better served by ensuring that the financial report represents an accurate and complete portrayal of campaign operations upon which it can rely to make educated, informed decisions in the election process.

Further, the Office of Campaign Finance once again organized the conduct of site visits at the Early Voting Centers and Election Precincts operated by the Board of Elections, and to the campaign offices of candidates. The visits afford the Agency the opportunity to observe the financial operations of registered entities, the activity around the perimeter of the Early Voting Centers and the Election Precincts to ensure compliance with the reporting requirements; to counsel individuals who may be engaged in activity which may run afoul of the Campaign Finance Laws; and to initiate enforcement actions where there is noncompliance.

The Office of Campaign Finance dispatched members of both the Audit and Legal Divisions to visit eighty-one (81) Election Precincts located throughout the 8 Wards during the November 4, 2014 General Election, and to four (4) Early Voting Centers prior to the General Election on October 27, 2014 and October 28, 2014. During the April 28, 2015 Special Election, the OCF

staff conducted site visits at thirty (30) Election Precincts located in Wards 4 and 8, and to two (2) Early Voting Centers prior to the Special Election on April 23, 2015. The OCF staff visited the campaign offices of four (4) candidates who participated in the November 2014 General Election during October 2014.

The OCF found at the Election Precincts that the markers were present for the placement of campaign literature, that the literature contained the appropriate disclaimer language, and that the campaign literature was properly posted outside the marked area. During the campaign office site visits, staff inquired about the mechanics of the campaign operations, and how the campaigns handled contributions and expenditures. The OCF staff was available to answer questions, and cautioned candidates concerning the proper disclaimer language for campaign literature.

Lastly, the Audit Branch participates in the recently initiated OCF Program for the conduct of Mandatory Entrance Conferences for new candidates and the treasurers of political committees, independent expenditure committees, political action committees, and the Constituent-Service and Statehood Fund Programs.

During FY 2013, the Reports Analysis and Audit Division increased from four (4) Full Time Continuing (FTEs) Positions to thirteen (13) Continuing FTEs: the Audit Manager (MSS-14); the Supervisory Auditor (MSS- 12); the Senior Auditor (CS-13); Auditor (CS-12) (three positions); Auditor (CS-11) (three positions); and Junior Auditors (CS-9) (four positions, one vacancy).

The increased staffing levels in the Reports Analysis and Audit Division continue to strengthen and positively impact the quality and production of the audit work, and enable the Division to be proactive in the performance of its responsibilities through the off site visits to campaign offices and to election precincts; participation in the mandatory entrance conferences and the training seminars; and the conduct of the periodic random and full field audits of the campaign operations of newly elected candidates to public office, and candidates and principal campaign committees active during the election cycle.

14. Please provide the Committee with the total amount of audits your office performed in FY15 and FY16. Additionally, please classify and sort these audits by classes such as random, reported, requested, etc.

RESPONSE:

The Reports Analysis and Audit Division completed thirty-five (35) audits in total for Fiscal Year 2015 to date of which thirty –two (32) were random periodic audits, two (2) were full field audits, and one (1) was an investigative audit. The Office of Campaign Finance issued thirty-four (35) Audit Reports and six (6) Audits are ongoing.

Random Audits Conducted

Date Audit Issued

Political Action Committees

Baker and Hostetler DC PAC

October 31, 2014

DCSFBPWC PAC

January 23, 2015

Firefighters Committee on Political Activities

March 23, 2015

DC Republican Committee PAC
FreshPAC PAC
The Libertarian Party of the DC

May 28, 2015
November 23, 2015
November 30, 2015

Constituent Service Programs

Evans CSF
Friends of Jim Graham
Mayor Bowser's CSF
Ward 3 CSF
Citizens Outreach Fund CSF

January 23, 2015
January 23, 2015
June 18, 2015
May 28, 2015
December 17, 2015

Continuing Committees

Committee to Elect Eugene Puryear
Hubbard for Ward 5
Biddle 2012
Holness for DC
Eric Jones 2014 PCC

April 7, 2015
December 29, 2014
February 8, 2015
August 5, 2015
November 23, 2015

Candidates Registered for the 2014 Election Cycle

Catania for Mayor
Muriel Bowser for Mayor
Charles Allen for Ward 6
Tommy Wells for Mayor
Elect Cheeks for Chairman
Evans for Mayor
Evans for Mayor (Termination Report)
Friends of Courtney Snowden
Tengen for DC
Brian Hart for DC
Ruth 4 Schools

October 2, 2014
October 22, 2014
October 23, 2014
October 31, 2014
November 24, 2014
February 24, 2015
February 24, 2015
April 7, 2015
April 13, 2015
May 7, 2015
June 24, 2015

Attorney General

Smitty for Attorney General
Lori Masters for Attorney General

May 8, 2015
May 29, 2015

Candidates in the 2015 Election Cycle

Friends of Leon T. Andrews, Jr. PCC
Barry for Council PCC
Committee to Elect Natalie Williams for Ward 8 PCC

July 30, 2015
November 10, 2015
August 5, 2015

Full Field Audits

Charles Allen for Ward 6
DC Proud Inaugural Committee

November 20, 2015
December 14, 2015

Investigative Audits

Gray for Mayor

January 29, 2016

As reported previously, the Records Analysis and Audit Branch (RAAD) is responsible for performing audit analysis and reviews of all financial reports and documents received in the Agency. The Division conducts full field audits of the entire operations of the principal campaign committees of newly elected public officials from the organization of the committee to its termination. RAAD may also initiate full field audits and investigations based upon deficiencies and conditions noted during Desk Audit Reviews; upon complaints filed by members of the public; and upon order of the Board of Elections or the OCF Director. The Division conducts periodic random field audits in each OCF Program, including random audits of the financial reports submitted by candidates, principal campaign committees, political committees, political action committees, independent expenditure committees, and Constituent Service and Statehood Fund Programs. The periodic audits require reporting entities to submit all banking records and statements, invoices, and receipts maintained in support of the contributions and expenditures reported in the coverage period of the selected filing. This enables the Audit Division to verify report entries against the supporting documentation.

15. What arrangements, if any, has the agency made with the Department of General Services to co-locate with the Board of Elections?

As you know, the Office of Campaign Finance is established within the Board of Elections, and is responsible for the administrative operations of the Board pertaining to the Campaign Finance Act of 2011, as amended. Because of this relationship, the Office of Campaign Finance has been working with the Board and the Department of General Services in the ongoing effort to locate a space that will accommodate both Agencies, and is centrally located in the District of Columbia.