



## **EAC MANAGEMENT DECISION:**

*Resolution of the OIG Audit Report on the Administration of Payments Received Under the Help America Vote Act by the Election System of the Virgin Islands for the Period July 2003 Through August 2013 Report No. E-HP-VI-01-13*

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December 31, 2013

### **BACKGROUND**

The EAC is an independent, bipartisan agency created by the Help America Vote Act (HAVA). EAC assists and guides state and local election officials in improving the administration of elections for Federal office. EAC distributes HAVA funds to States for the acquisition of voting systems, and supports the establishment of statewide voter registration lists, and other activities to improve the administration of elections for Federal office. EAC monitors State use of HAVA funds to ensure funds distributed are being used for authorized purposes. To help fulfill this responsibility, the EAC determines the necessary corrective actions to resolve issues identified during Single Audit Act and Office of Inspector General (OIG) audits of state administration of HAVA funds. The EAC OIG has established a regular audit program to review the use of HAVA funds by States. The OIG's audit plan and audit reports can be found at [www.eac.gov](http://www.eac.gov).

The EAC Audit Follow-up Policy authorizes the EAC Executive Director to issue the management decision for OIG audits of Federal funds to state and local governments, to non-profit and for-profit organizations, and for single audits conducted by state auditors and independent public accountants (external audits). The Executive Director has delegated the evaluation of final audit reports provided by the OIG and single audit reports to the Director of the HAVA Grants Division of EAC. The Division provides a recommended course of action to the Executive Director for resolving questioned costs, administrative deficiencies, and other issues identified during an audit. The EAC Executive Director issues the EAC Management Decision that addresses the findings of the audit and details corrective measures to be taken by the State.

States may appeal the EAC management decisions. The EAC Commissioners serve as the appeal authority. A State has 30 days to appeal the EAC management decision. All appeals must be made in writing to the Chair of the Commission. The Commission will render a decision on the appeal no later than 60 days following receipt of the appeal or, in the case where additional information is needed and requested, 60 days from the date that the information is received from the State. The appeal decision is final and binding.

Please note with four Commissioner vacancies, the Commission presently lacks a quorum to conduct appeals. The 30 day period to file an appeal remains in place. However, the 60 day period for a decision will toll until a Commission quorum is reestablished.

## **AUDIT HISTORY**

The OIG issued an audit report on the administration of payments received under the Help America Vote Act (HAVA) by Election System of the Virgin Islands (Office) on October 31, 2013. Based on the audit procedures performed, the auditors found the Office disregarded the basic tenet of internal controls, which protects the integrity of any organization. Specifically, the auditors found major deficiencies in the administration of payroll, procurement, financial reporting, program income, imprest (petty cash) fund, and property. Moreover, ESVI did not meet all of HAVA's administrative requirements for fiscal year funding levels and administrative complaint procedures.

### **Payroll and Procurement Deficiency Findings**

Federal salary and wage standards require payroll charges to be supported by proper documentation and periodic certification of hours worked. We found, however, that the Office could not provide documentation to identify employees who worked on HAVA projects or the pay periods and hours for which employees were paid with HAVA funds. It also could not certify the amount of time employees spent on HAVA-related activities.

The Office spent \$438,452 of HAVA Title I funds for salaries from September 2003 to December 2007. According to Office officials, three employees were paid with HAVA funds; however, we received documentation to support payroll costs for just two employees. Because the Office could not provide complete supporting documentation, we questioned \$221,129 of the amount it claimed.

Furthermore, the Office could not provide documentation certifying the hours worked on HAVA-related activities. Office officials told us that they used logbooks to record time and attendance, but when we requested the logbooks to support the payroll costs charged to HAVA, they could not provide them.

We also found that the Office circumvents the Government of the Virgin Islands' biometric punch clock system, which uses employees' fingerprints to log their arrival and departure times. This system, implemented Governmentwide to prevent the abuse of work time, was installed at the Office in June 2012, but most of the Office's employees have never used it. Because the Office did not provide time and attendance records and the system was not being used, there was no assurance that Office employees were not abusing time. This potential for abuse could affect not only HAVA funds, but also any other funding the Office uses for payroll.

Finally, the Office did not follow procurement rules and regulations for small purchases, which require comparison quotes from vendors and written justification letters to support purchases up to \$50,000. We reviewed five small purchases for

services and equipment, totaling \$17,149, and discovered that none were supported by comparison quotes or written justification. We therefore question the entire \$17,149.

**RECOMMENDATIONS:**

The auditors recommend that EAC require the Office to:

1. Maintain documentation to support all payroll costs related to HAVA;
2. Certify costs to ensure that HAVA funds are used properly; and
3. Follow procurement requirements for small purchases.

**ESVI Office Response to Recommendation 1:**

The Election System of the Virgin Island (ESVI) concurs. ESVI will develop procedures to address hiring employees with the HAVA funds, certification, file management and the maintenance of supporting documentation relative to payroll costs by January 31, 2014.

**EAC Response to Recommendation 1:**

The office has indicated that it will maintain documentation to support all payroll costs related to HAVA in the future. EAC will work with the Office throughout this process to ensure corrective action.

**ESVI Office Response to Recommendation 2:**

The Election System of the Virgin Islands (ESVI) concurs). Once an employee is hired, certification of payroll will be implemented to ensure compliance with the HAVA program by January 31, 2014.

**EAC Response to Recommendation 2:**

The ESVI Office has indicated that it will work in coordination with the Department of Finance Payroll Division to certify payroll costs relative to the utilization of HAVA funds. EAC will work with the Office to ensure corrective action.

**ESVI Office Response to Recommendation 3:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will obtain and maintain a copy of the Property & Procurement and the federal guidelines on small purchases. ESVI will inform all employees of the procedures and ensure these guidelines are adhered to for all small purchases. ESVI will institute a management quality control check by reviewing all purchases requests monthly.

### **EAC Response to Recommendation 3:**

Effective October 1, 2013, the ESVI Office reported following federal and local requirements for small purchases. EAC will review the questioned costs and ensure corrective action.

### **Inaccurate and Late Financial Reporting Findings**

Federal regulations require that a State's financial management system include accounting procedures to ensure accurate, current, and complete financial reporting. These procedures should identify the source and application of funds and include accounting records supported by source documents.

The Office could not provide supporting documents for \$123,166 in Title I funds to procure voting machines and services such as advertising, printing, training, and travel. It also transferred \$1,974,111 from the Election Fund to the Special and Other Fund between July 2004 and October 2011. Of this amount, the Office could not provide supporting documentation for \$161,593. Because the Office did not provide supporting documentation for these two amounts, we question the total, \$284,759.

In addition to Federal regulations over accounting procedures, EAC requires the Office to file annual Federal Financial Reports detailing all HAVA-related activities. Financial activities for Title I and II funds are reported on separate forms and must be submitted by the end of each calendar year. We found several inaccuracies in the Office's reports. For example, the Office—

- over-reported \$238,898 in Title II funds in FY 2010;
- did not report \$878 in Title I funds spent in calendar year 2005; and
- did not report \$331 in interest income during the period we reviewed.

Moreover, the Office submitted its Federal Financial Reports late eight times— with an average delay of over 6 months—and, as of March 2013, it still had not prepared its reports for FY 2012. The Office also arbitrarily changed its reporting period from fiscal year to calendar year without EAC's approval. The Office's inaccurate and late financial reporting brings into question the reliability of the information that EAC uses to carry out its responsibility for oversight and monitoring of HAVA funds.

### **RECOMMENDATIONS:**

The auditors recommend that EAC require the Office to:

4. Provide documentation to support HAVA funds expended; and
5. File accurate, on-time Federal Financial Reports and submit the FY 2012 report.

**ESVI Office Response to Recommendation 4:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will develop internal fiscal control measures and adhere to the Department of Finance regulations on purchase orders. ESVI will ensure all documentation is attached with requests, i.e. receipts, invoice, and approved contract with signature page. Files will be maintained as per HAVA guidelines. ESVI will conduct quarterly inspection.

**EAC Response to Recommendation 4:**

EAC will follow up with the ESVI Office to ensure corrective action.

**ESVI Office Response to Recommendation 5:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will complete FY2012 Federal Financial Report and follow the HAVA scheduled reporting periods.

**EAC Response to Recommendation 5:**

The FY12 Federal Financial Report was submitted on October 21, 2013. EAC will work with the ESVI Office to ensure accuracy and continued compliance with financial reporting.

**Unsupported Program Income Findings**

Under Federal regulations, program income includes income from fees collected by an agency for services it performs. HAVA program income comes from fees collected for late campaign disclosures, voter registration lists, and other election-related services. EAC requires that the Office's program income be dedicated to uses permitted under HAVA and that it be reported on its Federal Financial Reports.

The Office collected program income for different purposes and deposited those fees into two separate accounts. Fees collected to replace voter identification cards were deposited into the Special and Other Fund, which is maintained by the Department of Finance (DOF). Fees collected for late campaign disclosures, voter registration lists, and other election-related services were deposited into the Office's Imprest Fund Checking Account (Account), a petty cash account maintained solely by the supervisor of elections.

The Office claimed it collected \$113,345 in program income during the period we reviewed and that it deposited the funds into the accounts. Because the Office did not provide basic accounting records to support its claim, however, we could not ensure that all of the fees it collected had been deposited.

For example, the Office's St. Thomas location did not give us any cashier receipts and deposit slips to verify fees collected and deposited. The only documentation St. Thomas provided was interoffice memoranda to the supervisor and summaries to DOF prepared from October 2006 to December 2012. During that time, the Office reported collecting fees of \$52,946.

The St. Croix location provided more supporting documentation for its claim of \$60,399 in collections. Due to discrepancies in reports, cashier receipts, and deposit slips, however, we question whether all fees collected had been deposited. For example, we found the following:

- In eight instances, fee collectors did not maintain the required number of copies of receipts for voided transactions. In one of these instances, the amount recorded on a voided receipt was also reported as collected and deposited.
- In two instances, dates on cashier receipts were changed to reflect fee collections and deposits made later.
- In some instances, cashier receipts totaled more than the amounts deposited; other receipts totaled less.

These examples are potential fraud indicators, exposing an environment of poor collection practices and an absence of internal controls.

In addition, although EAC requires that program income be used only for HAVA-related activities, we found that the Office instead used the \$113,345 it claimed to have collected for its operating expenses, such as office supplies. The Office also did not report any program income on its Federal Financial Reports.

## **RECOMMENDATIONS:**

The auditors recommend that EAC:

6. Require the Office to accurately determine the total amount of unreported program income collected;
7. Require the Office to amend its Federal Financial Reports to include program income earned from FY 2003 to FY 2011;
8. Require the Office to report program income earned for FY 2012 and future reporting periods;
9. Work with the Office to resolve the unreported program income of \$113,345;
10. Require the Office to establish adequate controls by maintaining reports, cashier receipts, and deposit slips to ensure that the amounts collected for program income are reported and deposited; and
11. Require the Office to deposit all program income into the Election Fund.

**ESVI Office Response to Recommendation 6:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI has obtained a copy of EAC Advisory 07-002 dated March 20, 2007 – “Program Income and Set-Off of Cost Incident to Program Income” and will accurately determine the total amount of unreported program income going forward. ESVI will obtain all bank statements for FY 2012 to determine the amount of program income collected and then complete the HAVA Report. Henceforth, ESVI will comply with HAVA requirements and submit timely reports.

**EAC Response to Recommendation 6:**

The ESVI Supervisor has indicated that bank statement will be requested for each of the prior years to calculate the amount of unreported program income collected. This will be completed with bank or Department of Finance records as proof of documentation. EAC will work with the ESVI Office to ensure completed corrective action.

**ESVI Office Response to Recommendation 7:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will review and amend the Federal Financial Report from FY 2003 – 2011 to include program income as applicable. ESVI will obtain copies of all relevant financial reports, and bank statements to assist with the preparation of these reports. ESVI will coordinate with the HAVA point of contact to receive any additional guidance on the way forward. ESVI will submit corrected FY 03 - FY 11 reports once this process is completed.

**EAC Response to Recommendation 7:**

ESVI is conducting research to obtain the program income amounts to correct the submitted Federal Financial reports from 2003 – 2011. EAC will work with the ESVI Office to ensure accuracy and completed corrected action.

**ESVI Office Response to Recommendation 8:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will obtain copies of the interest earned financial reports from the Department of Finance and the current bank statement from the First Bank to verify the amount of funds applicable to this report. ESVI will prepare the FY 2012 report to reflect program income. ESVI will ensure program income is reported accurately on all reports going forward.

**EAC Response to Recommendation 8:**

EAC will work with the ESVI Office to ensure completed corrective action.

**ESVI Office Response to Recommendation 9:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will work with the HAVA Point of Contact to resolve the unreported program income of \$113,345. ESVI will conduct extensive research, review and reconcile the unreported program income. Next step, ESVI will prepare and submit the reports with the accurate amount of program income.

**EAC Response to Recommendation 9:**

Without documentation, the new ESVI management team indicates they cannot resolve the unreported program income amount of \$113,345. EAC will work with the new management team and provide technical assistance to determine whether any secondary documentation exists before determining next steps. EAC ensure appropriate corrective action.

**ESVI Office Response to Recommendation 10:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will purchase QuickBooks software and install the program on the server to provide accessibility to all employees. ESVI will utilize the Enterprise Resource Planning module which is hosted by the Department of Finance to track HAVA and Election System funds. ESVI will segregate the roles and responsibilities relevant to the receipt and processing of cash. ESVI will establish adequate controls for the processing of cashier receipts and deposit receipts. ESVI will maintain the applicable files and reports and conduct monthly, quarterly and annual reviews. ESVI will develop internal fiscal control measures to ensure this deficiency is not repeated.

**EAC Response to Recommendation 10:**

The ESVI Supervisor purchased QuickBooks (3 licenses) and had it installed. Training was conducted December 15, 2013. Effective October 1, 2013, ESVI has different staff members depositing funds in the bank. EAC will follow up with the ESVI Office to determine what procedures are in writing and to ensure completed corrective action.

**ESVI Office Response to Recommendation 11:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will obtain a copy of the September Bank Statement and begin the process of depositing all program income into the Election Fund Account. ESVI will develop procedures to ensure this process is implemented and followed in the future. ESVI will review bank statements monthly and prepare a quarterly report for the Joint Board to review.

**EAC Response to Recommendation 11:**

Effective October 1, 2013, ESVI began to deposit all program income into the Election



Fund Account. EAC will get a copy of the statements and a copy the procedures to help ensure appropriate corrective action.

### **Deficiencies with Internal Controls for Imprest Fund Checking Account Findings**

In June 1998, the Virgin Islands Legislature passed Act No. 6239, establishing the Imprest Fund Checking Account (Account) for the Office. The act gave the supervisor of elections sole authority to write checks from the Account. The act also established the Voter Identification and Registration Fund, which consists of all sums appropriated by the Legislature and all fees collected by the Office to replace voter identification cards.

Monies in the Voter Identification and Registration Fund are disbursed into the Account by the Commissioner of DOF. Although DOF is responsible for maintaining a record of all monies deposited and disbursed from the Account, DOF officials confirmed that the Office was managing this Account—and doing so separately from DOF’s financial system.

We attempted to review the transactions in the Account. Beginning in January 2013, we made many requests to the Office for the 123 bank statements covering the period from October 2002 to December 2012. The Office eventually provided 6 statements in April 2013, and DOF also provided the 24 bank statements it had received from the supervisor—altogether, less than a quarter of the statements we requested. The 30 statements we reviewed had deposits totaling \$22,250. Because we did not receive all of the statements and many of the statements we received had pages missing, we were unable to determine the entire amount deposited into the Account. Furthermore, we were unable to determine whether the funds were used for legitimate purposes.

In addition to our difficulties obtaining the Account’s bank statements, we are concerned about the Account’s transactions. In the 30 statements we reviewed, we found 5 instances in which the supervisor wrote checks to himself. The checks’ memo lines simply stated that the payments were reimbursements. In addition to writing checks, the supervisor was the only one making deposits into the Account. Moreover, the Account was not reconciled internally, but by an external contractor—a contractor who reported directly to the supervisor.

A fundamental element of strong internal controls is the segregation of certain key duties. Segregation of duties, including making deposits, writing checks, and reconciling accounts, reduces the likelihood of undetected fraud, waste, and mismanagement. Because duties surrounding the Account were not segregated, the Account was left susceptible to misuse. We referred this issue to our Office of Investigations for further review.

## **RECOMMENDATIONS:**

The auditors recommend that EAC:

12. Require the Office to stop depositing HAVA-related fees into the Imprest Fund Checking Account; and
13. Require the Joint Board of Elections to establish safeguards to mitigate the potential fraudulent use of the Imprest Fund Checking Account.

### **ESVI Office Response to Recommendation 12:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will immediately cease depositing HAVA related fees into the Imprest Funds Checking Account. ESVI will develop procedures to establish proper protocols in designating distinct funding accounts. ESVI will conduct monthly reviews and reconciliations.

### **EAC Response to Recommendation 12:**

Effective October 1, 2013, no HAVA related fees have been deposited into the Imprest Fund Checking Account. EAC will follow-up with the ESVI Office to review established protocols and the reconciliation process. EAC will ensure corrective action.

### **ESVI Office Response to Recommendation 13:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will discuss at the Joint Board meeting scheduled for 3<sup>rd</sup> October the requirement and importance of establishing safeguards to mitigate the potential use of the Imprest Fund. The Joint Board members need to prepare a proposal to the 30<sup>th</sup> Legislature to amend Title 33 of Virgin Islands Code to have this law changed. Once the proposal is submitted to the Legislature, ESVI will follow up with the Legislative Branch until this law is amended. Effective immediately, ESVI will require two signatures, a Board Chair and the Supervisor, prior to the withdrawal of any funds from the Imprest Account.

### **EAC Response to Recommendation 13:**

The Joint Board held an “Advance Workshop” from December 13-15 and discussed the policy of having more than one person as signatory on checks. EAC will follow up with the ESVI to determine the status of establishing safeguards. We will ensure corrective action.

## **Property Management Deficiency Findings**

The Code of Federal Regulations (41 C.F.R. § 105-71.132) states that a property control system must have adequate safeguards to prevent loss, damage, or theft of property. Property records should include property descriptions, serial numbers, identification numbers, sources, acquisition dates, locations, cost, and condition. In

addition, a physical inventory of property must be taken and the results reconciled with the records at least once every 2 years.

We found that the Office did not maintain detailed property records to properly account for all of the equipment it purchased with HAVA funds. We were able to verify that the Office spent \$550,189 for voting machines, e-poll books, servers, and other items, but we could not locate the items on the Office's inventory lists. We also received incomplete inventory lists, which prevented us from tracing pieces of equipment from the lists to their physical location or vice versa. The absence of property records makes it impossible to ascertain the location and condition of the equipment. For these reasons, we question the \$550,189 the Office spent on equipment.

Moreover, the Office did not conduct any of the required physical inventories of equipment. None of the officials we interviewed could remember the last time a physical inventory had been conducted.

When equipment is no longer needed for the original project or program, an agency must request disposition instructions from the awarding agency. Office officials informed us that they did not know the Federal procedures for disposing of equipment. Although the Office's St. Croix location gave us a 2010 list of disposable items, Office officials did not know if the items had actually been disposed of.

#### **RECOMMENDATIONS:**

The auditors recommend that EAC require the Office to:

14. Immediately conduct a physical inventory to gain control of and account for equipment. The inventory should include property descriptions, serial numbers, identification numbers, source of property, acquisition dates, property locations, cost, and condition;
15. Conduct physical inventories at least once every 2 years and reconcile them to property records; and
16. Reconcile any equipment previously disposed of and adhere to Federal guidelines for future disposals.

#### **ESVI Office Response to Recommendation 14:**

The Election System of the Virgin Islands (ESVI) partially concurs. Last inventory check conducted was on March 5, 2008 by Property and Procurement. ESVI will develop procedures for receiving, inventorying, storage and disposal of local and federal government property, to gain control of and account for all equipment. ESVI will conduct a physical inventory of all ESVI equipment on both islands. ESVI will establish protocols for conducting periodic inventory going forward.

#### **EAC Response to Recommendation 14:**

ESVI completed a property inventory on November 30, 2013. EAC will review the property inventory results and the inventory protocols and procedures. EAC will ensure corrective action.

#### **ESVI Office Response to Recommendation 15:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will conduct physical inventories biennially and reconcile to property records.

#### **EAC Response to Recommendation 15:**

ESVI will conduct biennial inventories going forward. EAC will review the inventory schedule established by the ESVI Office. We will ensure corrective action.

#### **ESVI Office Response to Recommendation 16:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will obtain a copy of the federal guidelines on disposal of equipment and adhere to the guidelines going forward. ESVI will review documentation of previously disposed equipment, annotate accordingly and maintain the relevant files. ESVI will prepare reports on disposed equipment, if applicable.

#### **EAC Response to Recommendation 16:**

The ESVI Office has started to reconcile previously disposed equipment; the process is ongoing. EAC will forward applicable Advisory Opinions to assist with the reconciliation process. EAC will ensure corrective action.

### **HAVA Administrative Requirement Findings**

HAVA requires States using Title II funds to maintain expenditures at least at the amount expended in FY 2000. The requirement was intended to prevent State governments from using HAVA funds instead of local funds. For ESVI, this expenditure level was \$1.4 million.

We found that the Government of the Virgin Islands did not comply with the expenditure requirement during FYs 2003, 2004, 2012, and 2013, for a total shortage of \$1,028,303 (see Figure 2). According to EAC guidance, when States fail to meet the established expenditure requirement, the issue is to be addressed through EAC's audit resolution process.

HAVA also requires that States establish administrative complaint procedures as a condition of receiving funds. The procedures must be uniform and nondiscriminatory; any person who believes that there is a violation of any provision of Title III may file a

written, notarized complaint. The complainant may also request a hearing. If a violation is found, the State is required to provide the appropriate remedy. If the complaint is dismissed, the results should be published. According to the procedures, the State must make a final determination about the complaint within 90 days from the date it is filed.

We found that the Office did not adequately follow HAVA's administrative complaint procedures. We reviewed all 13 notarized complaints recorded for 2 election cycles and found that the Office had not responded to 12 of them. For the one complaint the Office did respond to, we did not find any documentation to prove that the issue had been resolved.

We also found that complaint files were incomplete and disorganized. Complaints recorded in logbooks were not found in complaint files. Further, complaints were loosely filed and detached from their supporting documents; resolutions were not kept with original complaints; and we were not provided complaints addressed to board members, which are logged separately from complaints to the Office.

These issues concerning the administrative complaint procedures and maintaining complaint files indicate that ESVI did not follow HAVA administrative requirements, resulting in voters' grievances not being addressed.

#### **RECOMMENDATIONS:**

The auditors recommend that EAC:

17. Require the Government of the Virgin Islands to maintain expenditures at the FY 2000 expenditure level as require by HAVA §254(a)(7);
18. Address the failure to meet established expenditure requirements through its audit resolution process;
19. Require the Office to adhere to administrative complaint procedures in accordance with HAVA § 402(a); and
20. Require the Office to maintain a complete complaint file that includes, at a minimum, all complaints, responses, records of hearings, and outcomes.

#### **ESVI Office Response to Recommendation 17:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will remind the Government of the Virgin Islands of the requirement to comply with HAVA 254(a)(7). ESVI will ensure the Annual Budget report address this federal mandate and it is constantly on the forefront when briefing the Legislature. ESVI will inform the Office of Management & Budge and Department of Finance of this HAVA funding law.

**EAC Response to Recommendation 17:**

The ESVI Office shared the audit report findings regarding the funding levels with the Finance Chair of the Legislature and the Director of the Office of Management and Budget of November 27, 2013. EAC will follow up with the Office and get evidence of compliance when EAC funds are spent. EAC will ensure corrective action.

**ESVI Office Response to Recommendation 18:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will address the deficiencies with our designated Election Assistance Commission representative once the final report is received. ESVI's goal is to correct the deficiencies and not have any repeated deficiencies.

**EAC Response to Recommendation 18:**

ESVI will address the past failure to meet established expenditure requirements through audit resolution process with EAC and will maintain lines of communication going forward. EAC will continue to work with the ESVI Office and ensure corrective action by establishing effective communication.

**ESVI Office Response to Recommendation 19:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will adhere to administrative complaint procedures in accordance with HAVA 402 (a). This policy is presently posted on our website; however, we will ensure the citizens are aware, educated on its use and encouraged to utilize this process. ESVI will create or revise complaint forms to establish the proper protocol use of administrative complaints. ESVI will maintain compliance with HAVA procedures and guidelines.

**EAC Response to Recommendation 19:**

Effective October 1, 2013, the ESVI Office began to adhere to administrative complaint procedures in accordance with HAVA §402(a). EAC will work with the ESVI Office to ensure completed corrective action.

**ESVI Office Response to Recommendation 20:**

The Election System of the Virgin Islands (ESVI) concurs. ESVI will maintain a complete complaint file that includes all complaints, at a minimum, all responses, records of hearings and outcomes, ESVI will emphasize the importance of this requirement to all staff members, Board members and election part-time workers, ESVI will maintain compliance with HAVA procedures and guidelines.

**EAC Response to Recommendation 20:**

Effective October 1, 2013, the ESVI Office began maintain a files that includes all complaint responses, records of hearings and outcomes. EAC will verify the ESVI procedure and ensure corrective action.