



**OFFICE OF AUDITOR OF STATE**  
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE \_\_\_\_\_ December 19, 2013 \_\_\_\_\_

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The Office of Auditor of State today released a letter reporting the results of its evaluation of whether the Office of Secretary of State may appropriately use funds received under the Help America Vote Act (HAVA Act) to contract with the Department of Public Safety to investigate complaints and potential criminal activity in the areas of voting, voter registration, election misconduct and election administration.

The Auditor's Office reported the HAVA Act does not sufficiently define whether the investigation of complaints and potential criminal activity is an allowable expenditure of HAVA funds. In addition, the Inspector General of the U.S. Election Assistance Commission requested the Commission review whether the use of HAVA funds by the Secretary of State's Office is allowable. Because the Commission does not have enough members to issue a decision, it has not yet responded to the Inspector General.

The Auditor's Office recommended the Secretary of State develop a plan to repay HAVA funds should the Commission not allow the activity and request repayment. The Secretary of State's Office responded it would comply with any directives from the Commission.

A copy of the letter is available for review in the Office of Secretary of State, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1460-6350-A000.pdf>.



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Mary Mosiman, CPA  
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December 18, 2013

To the Honorable Matt Schultz,  
Secretary of State:

The Office of Secretary of State is a part of the State of Iowa and, as such, will be included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2013.

In conducting our audits, we became aware of an aspect concerning the Office's operations for which we believe corrective action is necessary. As a result, we have developed the following recommendation we believe you should be aware of. This recommendation has been discussed with Office personnel and their response to this recommendation is included in this report. While we have expressed our conclusion on the Office's response, we did not audit the Office of Secretary of State's response and, accordingly, we express no opinion on it.

Help America Vote Act – In June of 2012, the Secretary of State entered into an agreement with the Iowa Department of Public Safety pursuant to various chapters of the Code of Iowa, including Chapter 47, for personnel costs to investigate complaints and potential criminal activity in the areas of voting, voter registration, election misconduct and election administration. Chapter 47.1 of the Code of Iowa establishes the Secretary of State as the official responsible to supervise elections. The duration of the agreement is for two years at an annual amount not to exceed \$140,000. The agreement does not indicate funding will come from HAVA.

As of June 30, 2013, the Secretary of State has expended \$100,481 of HAVA funding under this agreement to "improve the administration of elections."

Section 101 of Title I of the Help America Vote Act (Act) provides payments to states for activities to improve the administration of elections. Allowable activities under section 101 of the Act include educating voters, training election officials, developing state plans, improving and acquiring voting systems, improving accessibility to polling places, establishing toll-free telephone hotlines for reporting possible voting fraud and voting rights violations and for improving the administration of elections for federal office. However, the Act does not further define "administration of elections". Section 101 of the Act does not specifically address whether the investigation of complaints and potential criminal activity is an allowable expenditure under HAVA.


On April 19, 2013, the Inspector General of the U.S. Election Assistance Commission requested the Commission answer the following question: "Are the services being provided by the Iowa Department of Public Safety to the Iowa Secretary of State allowable charges to HAVA funds provided to the State of Iowa by the Election Assistance Commission?"

Recommendation – Because the Commission has not yet responded to the Inspector General’s question, the Office of Secretary of State should develop a plan to repay HAVA funds should the Commission not allow this activity and request repayment.

Response – The Iowa Secretary of State’s office will comply with any directives from the U.S. Election Assistance Commission.

Conclusion – Response accepted.

Should you have any questions concerning the above matter, we shall be pleased to discuss it with you at your convenience.

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State