



United States
Office of Government Ethics
1201 New York Avenue, NW, Suite 500
Washington, DC 20005-3917

January 29, 2003

The Honorable Alberto R. Gonzales
Counsel to the President
The White House
Washington, DC 20500-0002

Dear Judge Gonzales:

The Office of Government Ethics (OGE) recently completed a review of the ethics program at the White House Office (WHO). Our objectives were to assess the ethics program's effectiveness and the quality of its management. This review was conducted during December 2002. The following is a summary of our findings and conclusions.

ADMINISTRATION

As WHO's Designated Agency Ethics Official (DAEO), you have overall responsibility for managing its ethics program. However, the day-to-day functions of the program are overseen by an Associate Counsel, who serves as the Alternate DAEO. The Alternate DAEO is currently assisted by three ethics counselors who have been detailed to WHO to aid in administering its ethics program.

HIGHLIGHTS

WHO has a well-managed ethics program. During her relatively brief tenure, the Alternate DAEO has formalized, in writing and in practice, the administration of virtually every program element, resulting in an organized and efficient program. Not only does this systematic approach enhance the extant program, but will help to ensure its success under the guidance of future ethics officials.

FINANCIAL DISCLOSURE SYSTEMS

The Alternate DAEO has developed comprehensive written procedures for administering the public financial disclosure system. To evaluate the effectiveness of these procedures, we examined 30 of the 45 annual and termination public financial disclosure reports required to be filed in 2002 and forwarded to OGE in accordance with 5 C F R. § 2634.602(c)(1)(v). All of the reports we examined were filed, reviewed, and forwarded to OGE in a timely manner.

We also examined 48 of the 77 public reports filed in 2002 which were not required to be forwarded to OGE. All were filed

timely and all but two were reviewed and certified timely.¹ Moreover, the review of these reports by WHO ethics officials appeared thorough, as our examination revealed no substantive deficiencies

Six of the public filers were issued 18 U.S.C. § 208(b)(1) waivers, about which, according to the waiver documents, OGE had been consulted. Also, copies of all the waivers were forwarded to OGE as required.

WHO also has detailed written procedures for administering its confidential financial disclosure system. To assess this system, we examined 25 of the 26 confidential reports required to be filed by regular WHO employees in 2002.² Twenty-four of the 25 reports were filed timely and all were reviewed and certified timely. As with the public reports, we did not identify any substantive deficiencies during our examination

WHO is only responsible for one Federal advisory committee, the President's Homeland Security Advisory Council (Council), the members of which are special Government employees (SGE) appointed by the President. All 16 of the OGE Form 450s filed by current members of the Council were filed, reviewed, and certified in a timely manner and did not contain any substantive deficiencies.

Thirteen of the 16 Council members were issued 18 U.S.C. § 208(b)(3) waivers. As with the (b)(1) waivers, the waiver documents stated that OGE had been consulted in each case and copies of all the waivers were forwarded to OGE.

EDUCATION AND TRAINING PROGRAM

To meet the initial ethics orientation requirement, the Office of White House Personnel provides all incoming employees with a copy of the Standards of Ethical Conduct for Employees of the Executive Branch. Employees must certify that they have received this booklet and will review it, attend required training sessions, and complete a financial disclosure form, if applicable

In addition, upon entering on duty in the spring of 2002, the Alternate DAEO met individually with WHO Assistants and Deputy Assistants to the President in order to avail them of her services and to foster a cooperative relationship. She has also instituted a practice whereby all newly-appointed Commissioned Officers (employees holding a commission of appointment from the President) meet with her individually and are provided a one-on-one initial orientation

¹An additional seven reports had been recently filed and were still under review at the time of our examination

²The remaining filer received a filing extension and thus his report had not yet been filed at the time of our review.

Pursuant to 5 C F.R § 2638 705, all employees of the Executive Office of the President are required to receive annual ethics training To meet this requirement for WHO, the Alternate DAEO personally provides numerous training courses, at least monthly, for a variety of employees. Each course is specifically tailored to the needs of the particular audience. She also provides live briefings throughout the year for other non-covered WHO personnel, such as White House Interns and Fellows According to a WHO ethics counselor, all covered WHO employees received an annual ethics briefing in 2002

In addition to the initial orientations and annual briefings, outgoing employees are required to meet with the Alternate DAEO as part of the check-out process. During the meeting, the Alternate DAEO briefs departing employees on the post-employment restrictions and provides them written summaries of these restrictions Until the check-out process is complete, employees cannot receive their final paycheck.

ADVICE AND COUNSELING SERVICES

The OGE Desk Officer assigned to WHO examined a sample of the written advice and counseling rendered by WHO ethics officials in 2002. The advice covered a wide range of subjects including providing letters of recommendation, conflicts of interest, co-sponsorship of events, gift acceptances, speaking, and fund-raising. The Desk Officer found the advice to be thorough and accurate.

ACCEPTANCE OF TRAVEL PAYMENTS FROM NON-FEDERAL SOURCES

WHO has written procedures for accepting travel payments from non-Federal sources under 31 U S.C. § 1353 and the implementing General Services Administration regulation at 41 C F R. part 304-1. To evaluate these procedures we examined a sample of the 140 payments in excess of \$250 per event accepted by WHO from the period beginning October 1, 2001 and ending September 30, 2002. All the payments included in our sample appeared to be appropriately accepted and reported to OGE in compliance with the law and regulation.

CONCLUSIONS

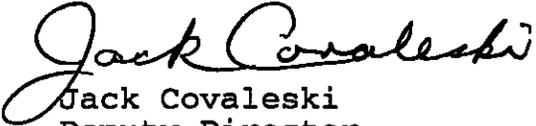
We again commend WHO for its well-functioning ethics program. In particular, we laud the efforts of the Alternate DAEO to ensure the program's efficient administration, both now and in the future. We were also particularly impressed with her ongoing practice of providing tailored, useful ethics training to a variety of audiences.

In closing, I wish to thank you, the Alternate DAEO, and the rest of the WHO staff for your efforts on behalf of the ethics

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program. Please contact me at 202-208-8000, extension 1120, or have a member of your staff contact Dale Christopher at extension 1130, if we may be of further assistance

Sincerely,


Jack Covaleski
Deputy Director
Office of Agency Programs

cc: Nanette Everson
Associate Counsel to the President
The White House

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