



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

July 8, 2003

Paul R. Corts  
Designated Agency Ethics Official and  
Assistant Attorney General for Administration  
Department of Justice  
950 Pennsylvania Avenue, NW.  
Room 1111  
Washington, DC 20530

Dear Mr. Corts:

The Office of Government Ethics (OGE) has completed its review of the ethics program at the Department of Justice (Justice). The review focused on the Civil Division (Civil), the Environment and Natural Resources Division (ENR), the Tax Division (Tax), and the Office of the Attorney General (OAG). This review was conducted pursuant to section 402 of the Ethics in Government Act of 1978, as amended. The review was conducted intermittently from July 2002 through October 2002. This report contains our findings and conclusions.

We also performed a review of the ethics program at the Executive Office of the United States Attorneys (EOUSA). We are reporting our findings from the EOUSA review in a separate letter to you.

#### HIGHLIGHTS

Our review found that the ethics program is well managed. We believe that ethics officials in Justice's Departmental Ethics Office (DEO) are providing quality overall direction and ethics advice to Deputy Designated Agency Ethics Officials (DDAEO) throughout Justice. These officials, in turn, demonstrated dedication to providing high-quality services to their components' employees. Especially noteworthy are DEO's frequent (biweekly) meetings with DDAEOs to discuss ethics issues and DEO's mini-program reviews to determine components' compliance with ethics requirements. Ethics officials are to be commended for their commitment to effectively carrying out their various ethics program responsibilities. However, we did find one shortcoming in the confidential disclosure system that needs improvement.

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CONFIDENTIAL FINANCIAL DISCLOSURE SYSTEM

Our review found that the confidential financial disclosure system was generally in compliance with the ethics laws and regulations. This was based upon our examination of 152 of Civil's 706 OGE Form 450s and 24 conflict of interest certifications (alternative report), 81 of ENR's 403 OGE Form 450s, and 71 of Tax's 325 OGE Form 450s. OAG had no confidential filers in 2001.

However, we found that 5 of 15 Tax section chiefs had neglected to review and certify the OGE Form 450s filed within those sections, which amounted to 99 reports. Although all 99 reports were immediately reviewed once Tax was notified of non-compliance, we believe that the supervisors may be unaware of the importance of the financial disclosure review in preventing employees from committing ethics violations. This lack of review of the reports limits the agency's ability to provide timely and specific conflict of interest advice.

In our discussions with the Tax DDAEO, we were informed that he erroneously was notified by the section chiefs that the 99 reports had been reviewed and certified timely and he then forwarded the information to DEO on January 18, 2002. Since we did not have similar findings at Civil and ENR this may be an isolated incident. We recommend that you ensure that the Tax confidential reports are reviewed and certified timely. One suggested way of accomplishing this is by random inspections and providing reviewers guidance on the importance of timely reviews that provide timely and specific conflict of interest advice, which is a fundamental purpose of an agency ethics program.

On another matter, since litigators in Civil, ENR, and Tax are assigned new cases throughout the year and parties to these cases could pose conflicts of interest, it may not be feasible for supervisors to review all the OGE Form 450s every time a case is to be assigned. We suggest that you may want to consider using an alternative financial disclosure system in lieu of the OGE Form 450 that would require litigators to certify that they do not have conflicts of interests upon the assignment of each case. Using the certification process as cases are assigned would raise employee consciousness of potential conflicts they may have with parties involved in such cases. Our office can help you develop such a system.

## PUBLIC FINANCIAL DISCLOSURE SYSTEM

Our review found that the public financial disclosure system was in compliance with the ethics laws and regulations. This was based upon our examination of the public reports required to be filed in 2002, which consisted of a total of 98 public reports (46 Civil, 20 ENR, 20 Tax, and 12 OAG reports). Additionally, we confirmed that two of the three annual reports for Presidential appointees subject to Senate confirmation (PAS), required to be filed in 2002, were forwarded to OGE shortly after agency certification. The third report, although reviewed and certified by the agency two months earlier was not forwarded until we notified the agency that it had not been received.

## EDUCATION AND TRAINING

For the components under examination, DEO holds monthly new employee initial ethics orientation sessions. We were informed that employees who hold PAS positions were provided one-on-one initial ethics orientation during their nomination process.

We understand that the 2002 annual ethics training has been completed, but, since it was not completed by the end of our fieldwork, we examined the 2001 training. We found that all covered employees (public filers and other employees) received the required ethics training. Public filers received either one-on-one annual ethics training or attended one of the in-person training sessions offered. Confidential filers completed the "Quandaries" training module or reviewed the written materials entitled "Conflicts of Interest: How to Avoid the Headaches" prepared by DEO. For employees in PAS positions, we encourage one-on-one annual ethics training with emphasis on 18 U.S.C. § 208 and 5 C.F.R. § 2635.502. Additionally, we suggest varying the ethics materials to address the different ethics issues faced by Justice's employees.

## ADVICE AND COUNSELING

Our review found that the ethics advice provided to employees was thorough and consistent with the ethics laws and regulations. This finding was based upon our examination of the most recent written advice rendered at the components (45 from Civil, 43 from ENR, 32 from Tax, and 36 from OAG), and appears to be attributable to the team efforts of DEO's ethics officials and the components' DDAEOs sharing ethics information at DEO's biweekly meetings. Additionally, we found that the written advice covered a wide variety of topics, including gifts, misuse of position, outside

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activity, post employment, travel acceptance from non-Federal sources, and widely attended gatherings.

ACCEPTANCE OF TRAVEL PAYMENTS  
FROM NON-FEDERAL SOURCES  
UNDER 31 U.S.C. § 1353

Our review found that the requests for travel payments were properly analyzed for conflicts of interest in accordance with 41 C.F.R. § 304-1.5 and 31 U.S.C. § 1353. This finding was based upon our examination of 10 requests for travel payments at Civil, 21 requests at ENR, and 13 requests at Tax (OAG had no requests).

We observed that DEO's semiannual reports required to be submitted to OGE were somewhat late. Remember that the reports are required to be submitted to OGE by May 31 for the period ending on March 31, and by November 30 for the period ending on September 30.

RELATIONSHIP BETWEEN ETHICS OFFICIALS  
AND THE OFFICES OF INSPECTOR GENERAL  
AND PROFESSIONAL RESPONSIBILITY

Our discussions with DEO, Office of Inspector General (OIG), and Office of Professional Responsibility officials disclosed that no matters involving criminal conflicts of interest have been referred to the Criminal Division's Public Integrity Section for prosecution. Nonetheless, during our discussions with the OIG representatives, we determined that one investigation involving a possible violation of 5 C.F.R. 2635.702 should have been brought to DEO's attention. Providing this type of information to DEO might enable it to determine the need for Justice to take prompt action to remedy an actual or potential violation. Moreover, such information, if sanitized, might be used to enhance Justice's ethics training program. We suggest that DEO's ethics officials initiate periodic requests to OIG and OPR officials regarding such matters.

DEO'S ETHICS PROGRAM REVIEWS

DEO periodically conducts mini-program reviews to determine components' compliance with ethics requirements. This is a good practice that we encourage other agencies to do.

CONCLUSIONS AND RECOMMENDATION

Justice's ethics program appears to be solid and generally complies with applicable ethics laws and regulations. We want to

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commend DEO's ethics officials for participating in the biweekly meetings with DDAEOs to discuss ethics issues. However, we are making one recommendation that will ensure that the confidential system is in full compliance.

Accordingly, to more fully comply with ethics regulatory requirements, we recommend that the Tax Division:

1. Ensure that confidential financial disclosure reports are reviewed and certified timely.

In closing, I would like to thank everyone involved in this review for their cooperation on behalf of the ethics program. Please advise me within 60 days of the specific actions your agency plans to take on our recommendation. A brief follow-up review will be scheduled within six months from the date of this report. In view of the corrective action authority vested with the Director of OGE under subsection 402(b)(9) of the Ethics Act, as implemented in subpart D of 5 C.F.R. part 2638, it is important that our recommendation be implemented in a timely manner.

A copy of this report is being sent to the Inspector General. Please contact Jean Hoff at 202-208-8000, extension 1214, if we may be of further assistance.

Sincerely,



Jack Covaleski  
Deputy Director  
Office of Agency Programs

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