

ETHICS PROGRAM REVIEW FOLLOW-UP REPORT

Agency: U.S. International Development Finance Corporation (DFC)

Follow-up to OGE Report Number: 23-21I

Report No.: 24-25IF

Date: February 27, 2024

UNITED STATES OFFICE OF
GOVERNMENT ETHICS

Preventing Conflicts of Interest
in the Executive Branch

As a result of its review of the International Development Finance Corporation (DFC) ethics program, the Office of Government Ethics (OGE) issued five recommendations in its March 31, 2023 inspection report. OGE conducted a follow-up review to assess whether DFC has taken sufficient action to resolve the deficiencies underlying these recommendations. The results of the follow-up review are summarized below.

	Recommendation	Agency Action and OGE Finding	Status
1	Certify or otherwise close all public financial disclosure reports filed in calendar year 2022.	OGE Finding: OGE’s initial inspection in 2023 identified nine public financial disclosure reports that were filed in 2022 but had not been certified. OGE examined the reports during its follow-up inspection and found that all nine were reviewed and certified.	Closed
2	Ensure all public financial disclosure reports moving forward are reviewed and certified timely.	<p>OGE examined 40 public financial disclosure reports filed in 2022 during its initial inspection and found that 33 (83%) were certified more than 60 days after submission.</p> <p>OGE Finding: In November 2023, OGE reviewed 40 public financial disclosure reports filed in 2023. Of these reports, 27 or 68% were reviewed and certified more than 60 days after submission. OGE recognizes that this is an improvement from its initial inspection, however, DFC must make greater progress before this recommendation can be closed.</p> <p>Agency Action: DFC’s ADAEO responded that, in significant part, the delay in certification of public and confidential reports was due to staff turnover. It was also noted that the agency’s ADAEO serves as the “primary point of contact” for financial disclosure and that the current ADAEO was appointed to that position effective April 24, 2023. Annual confidential reports were generally filed by the February 15 due date. Going forward the ADAEO stated that the expectation was that reports would be certified in a timely manner.</p>	Open

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3	Ensure confidential financial disclosure reports are reviewed and certified timely.	<p>OGE examined 68 confidential financial disclosure reports filed in 2022 during its 2023 inspection and found that 45 (66%) were reviewed and certified more than 60 days after submission.</p> <p><u>OGE finding:</u> In November of 2023, OGE reviewed a sample of 47 confidential financial disclosure reports filed in 2023. Of these reports, 45 or 96% were reviewed and certified more than 60 days after submission.</p> <p><u>Agency Action:</u> DFC’s ADAEO responded that, in significant part, the delay in certification of public and confidential reports was due to staff turnover. It was also noted that the agency’s ADAEO serves as the “primary point of contact” for financial disclosure and that the current ADAEO was appointed to that position effective April 24, 2023. Annual confidential reports were generally filed by the February 15 due date. Going forward the ADAEO stated that the expectation was that reports would be certified in a timely manner.</p>	Open
4	Ensure that the DAEO reviews the written procedures for providing required notices to prospective employees.	<p><u>Agency Action:</u> DFC created a formal policy between the DFC ethics office and the Office of Human Resources Management (OHRM) identifying the interdepartmental coordination for notices to prospective employees. The DAEO will review the policy annually.</p>	Closed
5	Ensure that the DAEO reviews the written procedures for providing required notices to new supervisors and ensure all required content is provided to new supervisors.	<p><u>Agency Action:</u> DFC created a formal policy between the DFC ethics office and the Office of Human Resources Management (OHRM) identifying the interdepartmental coordination for notices to new supervisors. The DAEO will review the policy annually.</p>	Closed

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Based on the results of OGE's follow-up review, recommendations 1, 4, and 5 are closed. OGE will conduct an additional follow-up review in approximately 6 months to assess whether DFC has taken sufficient action to resolve the deficiencies underlying recommendations 2 and 3, which remain open.