

UNITED STATES OFFICE OF  
GOVERNMENT ETHICS



February 21, 2020

The Honorable Josephine K. Olsen  
Director  
Peace Corps  
1275 First Street, NE  
Washington, DC 20526

Dear Dr. Olsen:

I write to express my appreciation for the commitments the Peace Corps made during our meeting on January 28, 2020, to address serious, unresolved deficiencies within your agency's ethics program. As you agreed, a strong ethics program is of the highest importance, as critical as it is to the delivery of agency mission and to earning the confidence of the American public.

Your personal pledge, as the head of the Peace Corps ethics program, to effect program improvement is notable. In particular, your commitments to increase ethics program resources, implement additional use of technology, personally promote the importance of ethical culture and financial disclosure as crucial aspects of an effective program, and consider taking advantage of existing authorities to further extend the terms of ethics office staff in order to build and retain expertise, enhance stability, and ensure the overall strength of the ethics program are commendable. Your willingness to personally address procedural and communication issues that appear to exist between human resources, supervisors, and the Peace Corps ethics office is encouraging. As a result of these commitments, I am certain that U.S. Office of Government Ethics' (OGE) staff will see demonstrable improvement when they review your ethics program, approximately one year from now.

As an agency head, I fully understand the challenges of limited staff resources. Nonetheless, as a sign of OGE's commitment to improving your program, one of our most experienced employees will be made available for a detail to the Peace Corps; her particular skill-set should provide immediate value to the program.

Thank you again for your time and commitment to the Peace Corps ethics program. Enclosed for your information is a letter addressed to the Peace Corps Acting General Counsel identifying in more detail the actions agreed upon during our January meeting. Please do not hesitate to contact me if you would like to discuss anything further.

Sincerely,

A handwritten signature in blue ink that reads "Emory A. Rounds, III".

Emory A. Rounds, III  
Director

Enclosure



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February 21, 2020

Chip Taylor  
Acting General Counsel  
Peace Corps  
1275 First Street, NE  
Washington, DC 20526

Dear Mr. Taylor:

It was a pleasure meeting with you and the Peace Corps Director on January 28, 2020, to discuss the Peace Corps ethics program. As you know, this meeting focused on a number of serious deficiencies within the program which the U.S. Office of Government Ethics (OGE) identified in a 2017 ethics program review and which remain unresolved. OGE conducted this review in accordance with its routine monitoring and oversight responsibilities mandated by the Ethics in Government Act.

As was discussed during the meeting, agency leadership serves as the cornerstone of a strong and effective ethics program, and commitment by leadership to personally engage with employees is crucial to the program's success. With this in mind, during the meeting the Peace Corps Director committed to taking specific actions to resolve the programmatic deficiencies. The following is a summary of the deficiencies and the Peace Corps Director's commitment to address them.

The executive branch financial disclosure system is vital to identifying and resolving potential conflicts of interest among the federal government's most senior officials. During the 2017 ethics program review, OGE found that certain financial disclosure reports were not filed in a timely manner. To help ensure that covered employees do file timely, the Peace Corps Director agreed to reinforce to financial disclosure report filers the significance of the financial disclosure program and the need to file required reports timely.

During the 2017 review, OGE also determined that financial disclosure reports were not being timely certified by the Peace Corps ethics staff. Peace Corps attributed some of this failure to a lack of experienced ethics staff being available to review and certify the reports. The Peace Corps Director agreed to consider taking advantage of existing authorities to further extend the terms of ethics office staff in order to build and retain expertise, enhance stability, and ensure the overall strength of the ethics program.

Also during the 2017 review and as a result of subsequent follow-discussions with Peace Corps officials, OGE determined that certain procedural and communication failures among human resources officials, supervisors, and ethics office staff further contributed to the deficiencies in the Peace Corps financial disclosure systems. As discussed during the meeting, an



Mr. Chip Taylor

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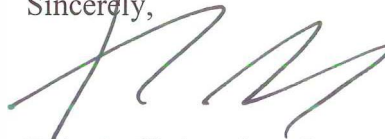
agency's human resources officials must provide critical information to ethics officials so that they may do their jobs properly, such as providing the dates on which employees were appointed to their positions. Supervisors, too, play an important role in the ethics program, including ensuring that the human resources office is made aware of personnel actions in a timely manner. Making sure that human resources officials and supervisors are aware of their responsibilities related to the ethics program, and ensuring that these responsibilities are carried out, is another area that benefits from leadership involvement and oversight. As a result, the Peace Corps Director expressed a willingness to personally address the procedural and communication issues that appear to exist between human resources, supervisors, and the agency's ethics office.

OGE appreciates the Peace Corps' commitment to provide the ethics program with the resources necessary to make the needed improvements and ensure its effectiveness. As a sign of OGE's commitment to assist the Peace Corps in this effort, one of OGE's most experienced employees will be made available for a six-month detail to the Peace Corps.

Please provide me with a written response outlining the Peace Corps' ongoing and planned efforts to implement the commitments described above within 90 days of the date of this letter. Members of OGE's staff will then conduct a review of the Peace Corps ethics program approximately one year from now to evaluate the success of these efforts, as well as the effectiveness of the ethics program as a whole.

Thank you again for your time and commitment to the Peace Corps ethics program. Please do not hesitate to contact me at 202-482-9224 or at [dachrist@oge.gov](mailto:dachrist@oge.gov) if you would like to discuss anything further.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D.A. Christopher, Jr.', written over a light blue horizontal line.

Dale A. Christopher, Jr.  
Deputy Director for Compliance

## ETHICS PROGRAM REVIEW FOLLOW-UP REPORT

Agency: Peace Corps

Second Follow-up to OGE Report Number: 17-33I

Report No.: 20-03IF

Date: February 21, 2020



As a result of its inspection of the Peace Corps ethics program, the U.S. Office of Government Ethics (OGE) issued three recommendations in its June 2017 inspection report. OGE conducted a follow-up review in 2018 to assess whether the Peace Corps had taken sufficient action to resolve the deficiencies underlying these recommendations. OGE found that the performance in the areas addressed by its recommendations had declined, rather than improved. Therefore, none of the recommendations were closed. However, OGE reviewed a list of actions that Peace Corps had planned to take to address the recommendations. OGE conducted a second follow-up in 2019. The results of the follow-up review are summarized below.

	Recommendation	Agency Action and OGE Finding	Status
1	Ensure that non-PAS new entrant public financial disclosure reports are filed timely.	<p>According to Peace Corps ethics officials, the ethics program has not been sufficiently staffed to meet basic ethics program requirements. Additionally, while ethics officials have taken steps to improve efficiency, they do not expect their actions to have measureable effects for at least one or two annual report filing cycles (approximately May 2021).</p> <p>Steps taken by Peace Corps ethics officials include:</p> <ul style="list-style-type: none"> <li>• Continuing to work with the Office of the Chief of Human Capital (OCHCO) to improve the system for notifying ethics officials of any new hires or appointments to covered positions requiring filing of financial disclosure reports.</li> <li>• Obtaining approval for a six-month ethics detail position to augment the full-time ethics staff.</li> </ul> <p>OGE reviewed a sample of 10 new entrant public reports filed in 2019 and found that only 40% of reports were filed timely. (OGE's initial inspection found that 46% of new entrant reports were filed timely and the first follow-up review found that 29% were filed timely.)</p>	Open

**ETHICS PROGRAM REVIEW FOLLOW-UP REPORT**

Agency: Peace Corps

Second Follow-up to OGE Report Number: 17-331

Report No.: 20-031F

Date: February 21, 2020



2	Ensure that all public financial disclosure reports are certified timely.	<p>The processing and review of public and confidential financial disclosure reports requires significant resources and time. To make more efficient use of staff time, Peace Corps ethics officials are working with the Department of the Army (Army) to finalize an Inter-Agency Agreement to purchase access to the Army’s electronic filing system, Financial Disclosure Management (FDM).</p> <p>Once an agreement has been reached, Peace Corps’ confidential report filers will be required to file their reports through FDM. Peace Corps anticipates that in the first year of implementation, significant time and energy will be spent initializing the system and training confidential report filers and reviewers. Increased efficiencies should be realized in the second year. This is expected to allow ethics officials to have more time to review and certify public financial disclosure reports.</p> <p>OGE examined a sample of public reports filed in 2019 and found that only 62% were certified timely. (OGE’s initial inspection found that 67% of reports were certified timely and the first follow-up review found that 53% were certified timely.)</p>	Open
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3	Ensure that new entrant confidential financial disclosure reports are filed timely.	<p>Peace Corps ethics officials indicated that they continue to work with OCHCO to improve the process by which ethics officials are notified of new hires or promotions to positions whose incumbents are required to file confidential financial disclosure reports. OCHCO alerts OGC Ethics of new hires or promotions to positions requiring filing of confidential financial disclosure reports via biweekly and monthly reports.</p> <p>However, OCHCO officials indicated that their office has challenges in timely identifying employees acting in or promoted into filing positions because managers were routinely assigning employees to these positions on a temporary basis without completing the required paperwork (e.g., not issuing SF-50s). OCHCO officials indicated that they would be educating managers to issue personnel actions through OCHCO.</p> <p>Additionally, to address staffing shortages, ethics officials enlisted the help of six other OGC attorneys to review confidential reports. This distributed the workload beyond the one and a half full-time (FTE) positions allotted to the ethics team. Ethics officials explained that during 2018, other attorneys in the office required significant training and mentoring to conduct technical and conflict of interest reviews of financial disclosure reports and were burdened by their own significant workloads.</p> <p>Ethics officials communicated to OGE that they have not been successful in resolving the deficiencies underlying OGE’s recommendations. Therefore, OGE did not examine any new entrant confidential reports to evaluate the timeliness in filing during the second follow review.</p>	Open
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Based on the results of OGE's follow-up reviews, all recommendations remain open.