

UNITED STATES OFFICE OF GOVERNMENT ETHICS



December 09, 2015

Ilona Cohen
General Counsel and
Designated Agency Ethics Official
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Ms. Cohen:

The United States Office of Government Ethics (OGE) issued 16 recommendations to improve the Office of Management and Budget (OMB) ethics program in its March 2015 program review report. OGE conducted a follow-up review in October 2015 to assess OMB's actions to implement these recommendations, which related to program administration, financial disclosure, and education and training. Based on OMB's actions, OGE is closing all 16 recommendations. The table below summarizes OGE's follow-up review results.

	Recommendation	Agency Action	Status
1	Ensure the ethics program is sufficiently staffed to provide for the effective administration of the provisions of the Ethics in Government Act, Executive Order 12674, and the regulations promulgated thereunder.	OMB reorganized the ethics team by elevating the position of Designated Agency Ethics Official (DAEO) to the General Counsel, dedicating a full-time attorney to the Alternate DAEO (ADAEO) position, and adding a part-time Deputy DAEO attorney and ethics paralegal to better support the ethics program.	Closed
2	Take appropriate steps to assess and formalize the written procedures for OMB's various ethics program operations.	OMB updated and implemented written procedures for succession planning, financial disclosure, advice and counseling, and ethics training. These updated procedures are included in OMB's Ethics Desk Book which describes the processes for administering the ethics program. OMB also developed an electronic system to manage requests for attendance at outside events, increased reminders on financial disclosure filing deadlines and disseminated written financial disclosure guidance to filers and supervisors.	Closed

Report No. 16-10F

3a	Update written procedures for public financial disclosure to include procedures for review, evaluation and public availability of the OGE Form 278-T.	OMB updated the written procedures for public financial disclosure to include procedures for review, evaluation and public availability of the OGE Form 278-T.	Closed
3b	Establish written procedures for collection, review and evaluation of the OGE Form 450.	OMB established written procedures for collection, review and evaluation of the OGE Form 450.	Closed
4	Ensure new entrant public financial disclosure reports are submitted by the applicable filing deadlines.	<p>OGE reviewed a sample of new entrant public financial disclosure reports filed in 2015 and found 100 percent of the sampled reports were submitted by the applicable filing deadlines. Submission timeliness increased 44 percent from the original report sample. New entrant reports filed after the 30-day filing deadline included filing extensions and documentation to support the extensions.</p> <p>To help ensure timely new entrant filing, OMB's human resources office notifies the ethics office of new entrant public financial disclosure filers.</p>	Closed
5	Locate the outstanding new entrant public financial disclosure report.	OMB located the outstanding new entrant report and provided the report to OGE for verification. In an effort to locate the report, improve document handling and mitigate future retention issues, OMB reorganized legacy files and developed written procedures for maintaining and tracking public financial disclosure reports. OMB also now requires all public financial disclosure reports to be filed in <i>Integrity</i> , OGE's electronic financial disclosure system.	Closed

6	Ensure annual public financial disclosure reports are reviewed and certified by ethics officials by the established deadline.	OGE reviewed a sample of annual public financial disclosure reports filed in 2015 and found 100 percent of sampled reports were reviewed and certified by ethics officials by the established deadline. Certification timeliness increased 50 percent from the original report sample. OMB cites its restructured ethics program, additional ethics staff and use of <i>Integrity</i> as key contributors to its improved certification timeliness.	Closed
7	Locate the outstanding termination financial disclosure report.	OMB was unable to locate the outstanding termination report. Nonetheless, OMB's reorganized legacy files and new written procedures for maintaining and tracking public financial disclosure reports should be sufficient to improve document handling and mitigate future retention issues.	Closed
8	Determine if the COTRs should have filed confidential financial disclosure reports in 2013 and, if so, perform a conflicts of interest analysis based on their duties and responsibilities from the date they became confidential filers until their first certified report.	OMB ethics officials and supervisors assessed the duties for COTR positions and determined that the COTRs met the confidential filing requirements as of calendar year 2014. Financial disclosure reports were collected from the COTRs and reviewed by ethics officials for conflicts of interest.	Closed
9	Assess the duties and responsibilities of OMB employees' positions as they relate to 5 C.F.R. § 2634.904 to determine if additional employees should be designated as confidential financial disclosure filers.	OMB ethics officials worked directly with supervisors and employees throughout 2015 to assess the duties and responsibilities of positions to determine if additional employees should be designated as confidential financial disclosure filers. Based on this assessment, they identified potential confidential filing positions throughout the agency. Final determinations regarding these potential filing positions will be made in conjunction with the 2016 annual confidential filing cycle and employees occupying any designated positions will be required to file.	Closed

10	Complete the consolidation of financial disclosure reports to secure storage in the DAEO's office as part of OMB's document management plan.	OMB consolidated and filed public and confidential financial disclosure reports in a locked file cabinet in the ADAEO's office. Beginning in 2015, public financial disclosure reports are maintained in <i>Integrity</i> with a hard copy of the OGE Form 278e stored in the locked file cabinet.	Closed
11	As part of the consolidation of financial disclosure reports, perform a check to confirm no outstanding financial disclosure reports have been retained beyond the retention period.	During the reorganization of the legacy files, OMB discarded any public and confidential financial disclosure reports found to have exceeded the retention period. OGE examined the reports stored in the file cabinet and found no reports held beyond the retention period.	Closed
12	Ensure that OMB employees receive, within 90 days from beginning work for the agency, the appropriate ethics materials, contact information, and time to review the material as set forth in 5 C.F.R. § 2638.703.	OGE verified new OMB employees received the appropriate ethics materials, contact information for ethics officials, and time to review the material within 90 days from beginning work for the agency. OMB ethics officials receive weekly lists with new employee information from the OMB human resources office. New political appointees, senior officials and U.S. Digital Services employees receive in-person initial ethics orientation. All other new employees attend monthly ethics training. Ethics officials utilize sign-in sheets to ensure employees receive the initial ethics orientation.	Closed
13	OGE recommends OMB develop and implement a process to provide training to employees that arrive subsequent to annual training being provided, include a mechanism to track that training, provide training to detailed employees before they begin their details, and confirm at the end of the year that all covered employees have received annual ethics training.	OMB implemented a series of annual training sessions for employees and plans to conduct additional annual training during the last few weeks of each year to ensure all covered employees receive training. OMB compares its internal new employee lists against the initial ethics orientation sign-in sheets provided by the Office of Administration to ensure all new employees arriving subsequent to scheduled annual ethics training are tracked and receive training.	Closed

14	Develop annual ethics training for all covered employees that fully meets the content requirements of 5 C.F.R. § 2638.704(b).	The ADAEO developed a new presentation for annual ethics training consistent with the requirements set forth in 5 C.F.R. § 2638.704(b).	Closed
15	Ensure written approvals for outside employment are conducted consistent with the requirements set forth in 5 C.F.R. part 8701.	The DAEO delegated outside employment approval authority to the ADAEO and Deputy DAEO. OGE's review of a sample of outside employment indicated the ADAEO provided written approval consistent with the requirements set forth in 5 C.F.R. part 8701.	Closed
16	Establish a system of retention for outside employment approval documentation that will function effectively in cases of staff turnover or changed responsibilities.	OMB developed a system to document requests and approvals for outside employment. Ethics officials log and store this documentation electronically, as well as filing hard copies in the locked file cabinet in the ADAEO's office.	Closed

Thank you for your assistance during the follow-up process. We encourage you to contact your OGE Desk Officer for ethics program support.

Sincerely,



Dale Christopher
Deputy Director for Compliance