

**ETHICS PROGRAM REVIEW FOLLOW-UP REPORT**

Agency: Department of Veterans Affairs (VA)

Follow-up to OGE Report Number: 19-43

Report No.: 22-36F

Date: June 9, 2022

**UNITED STATES OFFICE OF  
GOVERNMENT ETHICS**  
Preventing Conflicts of Interest  
in the Executive Branch

As a result of its review of the U.S. Department of Veterans Affairs (VA) ethics program, the Office of Government Ethics (OGE) issued nine recommendations in its September 2019 review report. OGE conducted a follow-up review to assess whether the VA 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	<p>Develop procedures to ensure that HR notifies VA's Ethics Specialty Team (EST) of :</p> <p>A. Appointments to positions that require the filing of a public financial disclosure report;</p> <p>B. Departures from positions requiring the filing of a public financial disclosure report; and,</p> <p>C. Appointments to positions that require the filing of a confidential financial disclosure report.</p>	<p><b><u>Agency Response:</u></b> <b><u>Public Financial Disclosure (appointments and terminations):</u></b> An EST paralegal meets biweekly with incoming senior executives to remind them of the requirement to file a public financial disclosure report within 30 days of entry. After this meeting, which is coordinated with VA's Corporate Senior Executive Management Office (CSEMO), the paralegal registers new entrants in Integrity and assigns their reports. An SES member of EST provides semi-monthly live ethics briefings for all incoming SES employees. This training serves as new entrant training and as annual training for the year for the new SES employees. CSEMO provides notice of separating senior employees to EST. Upon receipt of notice from CSEMO, the EST paralegal reminds terminating SES of the requirement to file a termination report.</p> <p><b><u>Confidential Financial Disclosure (appointments):</u></b> For confidential financial disclosure report filers, EST paralegals conduct monthly training sessions for Human Resources Points of Contact (HRPOCs) at VA facilities to train new POCs and remind all POCs of the requirement to notify EST of new entrants into filing positions. EST paralegals also contact HR POCs monthly to check on any new filers.</p> <p>In 2020, EST and the Human Resources Offices of all VA administrations and sub-organizations reviewed the list of CFD filing positions. This involved local HR personnel reviewing position descriptions of existing filing positions and updating the filing list. This review led to the addition of roughly 2000 CFD filers in CY2021.</p> <p><b><u>OGE Finding:</u></b> EST officials confirmed that they had not developed and/or revised written procedures as required by OGE's recommendation.</p>	Open
2	<p>Certify the backlog of new entrant and annual public reports from 2017 and 2018.</p>	<p><b><u>Agency Response:</u></b> EST is following up with CSEMO to locate these employees and gather the reports.</p> <p><b><u>OGE Finding:</u></b> OGE examined seven new entrant public reports and five annual public reports filed in 2017 and 2018 and found that all were certified.</p>	Closed

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3	Collect the outstanding termination public financial disclosure reports or, as necessary, refer the delinquent filers to DOJ for failure to file.	<p><b><u>Agency Response:</u></b> EST is following up with CSEMO to locate these employees and gather the reports.</p> <p><b><u>OGE Finding:</u></b> In 2019, OGE's plenary review identified that ten termination reports that were required to be filed in 2018 had been assigned to filers in Integrity, but had not been completed. When OGE returned to conduct a follow-up review in 2021, only two of the reports had been completed. Further, five of the reports had been deleted from Integrity and could not be retrieved. VA ethics officials acknowledged that the reports were missing from Integrity, but could not provide an explanation as to why they were deleted. OGE was able to confirm that the five deleted reports had been deleted by a sole VA ethics official. Additionally, OGE identified that two annual reports associated with the deleted termination reports had also been deleted. Further, OGE identified that seven additional termination reports required to be filed between 2018 and 2021 had also been deleted without explanation.</p>	Open
4	Establish a process to ensure that employees entering into confidential financial disclosure filing positions are promptly assigned a new entrant confidential report and that these reports are filed timely.	<p><b><u>Agency Response:</u></b> We received VA Directive 5025 from concurrence on January 25, 2022. Format changes are being finalized before issuance.</p> <p><b><u>OGE Finding:</u></b> EST officials have not yet established a process to ensure new entrant confidential filers are promptly identified and assigned a new entrant report.</p>	Open
5	Establish written procedures for notifying prospective employees of their ethics responsibilities.	<p><b><u>Agency Response:</u></b> VA Handbook 5025 is in concurrence, and incorporates the regulatory requirements, previously issued in a HRML from the HR office.</p> <p><b><u>OGE Finding:</u></b> OGE's review found that the VA's written procedures for providing the required notices to prospective employees met applicable requirements.</p> <p>To ensure continued compliance with issuing notices to prospective employees - OGE encourages the VA to develop a process for ensuring that the DAEO annually reviews these written procedures, as required by 5 C.F.R. § 2638.303(c). Additionally, the VA is encouraged to update their 5025 Handbook on the VA website to include these newly established written procedures.</p>	Closed
6	Maintain evidence to demonstrate that prospective employees received the required notice of their ethics responsibilities with their written offer of employment.	<p><b><u>Agency Response:</u></b> The draft VA Handbook 5025 incorporates the regulatory requirements, previously issued in a HRML from the HR office. The Chief Human Capital Officer has certified to the DAEO compliance with the notice requirements.</p> <p><b><u>OGE Finding:</u></b> The VA provided six notices issued to prospective employees. OGE examined the six notices and found they were in compliance with applicable requirements.</p>	Closed

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7	Establish written procedures for providing new supervisors with the required written materials.	<p><b><u>Agency Response:</u></b> VA Handbook 5025 is in concurrence, and incorporates the regulatory requirements, previously issued in a HRML from the HR office. The CHCO has certified to the DAEO compliance with the information requirements.</p> <p><b><u>OGE Finding:</u></b> OGE's review found that the VA's written procedures for providing new supervisors with the required written materials met applicable requirements.</p> <p>OGE encourages the VA to develop a process for ensuring that the DAEO annually reviews these written procedures, as required by 5 C.F.R. § 2638.306(d). Additionally, the VA is encouraged to update their 5025 Handbook on the VA website to include these newly established written procedures.</p>	Closed
8	Maintain evidence to demonstrate that new supervisors received the required written materials.	<p><b><u>Agency Response:</u></b> VA Handbook 5025 is in concurrence, and incorporates the regulatory requirements, previously issued in a HRML from the HR office. The CHCO has certified to the DAEO compliance with the issuance of the written materials.</p> <p><b><u>OGE Finding:</u></b> The VA provided four notices issued to new supervisors. OGE's examination found the notices to be in compliance with applicable requirements.</p>	Closed
9	Update procedures for initial ethics training and ensure that the DAEO reviews the procedures annually.	<p><b><u>Agency Response:</u></b> In 2020 and 2021, the DAEO was involved in the revision of the VA directive, which serves as the VA's procedures for conducting IEO.</p> <p><b><u>OGE Finding:</u></b> OGE encourages the VA to develop a process for ensuring that the DAEO annually reviews the procedures for providing initial ethics training, in accordance with applicable requirements.</p>	Open

Based on the results of OGE's follow-up review, recommendations 2, 5, 6, 7, and 8 are closed. OGE will conduct an additional follow-up review to assess whether the VA has taken sufficient action to resolve the deficiencies underlying recommendations 1, 3, 4, and 9 which remain open.