

ETHICS PROGRAM REVIEW FOLLOW-UP REPORT

Agency: Defense Finance and Accounting Service

Follow-up to OGE Report Number: 16-38I

Report No.: 19-22IF

Date: May 7, 2019



The Office of Government Ethics (OGE) completed its inspection of the Defense Finance and Accounting Service (DFAS) ethics program in May 2016. As a result of its review, OGE issued one recommendation for improvement. OGE conducted follow-up reviews in May 2018 and in November 2018 but was unable to close the recommendation. OGE conducted a third follow-up review in March 2019. The results of OGE's third follow-up review are summarized below.

	Recommendation	Agency Action and OGE Finding	Status
1	Implement corrective action to ensure that new entrant confidential reports are filed timely. This corrective action may require increased coordination with the agency's Human Resources Office and supervisors.	<p>OGE identified several steps DFAS has taken to improve the filing timeliness of new entrant confidential reports. The Ethics Office has been working with the agency's Human Resources Department to automate the notification process for identifying new entrant confidential filers. The Ethics Office has also acquired direct access to the agency's Contracting Officers Representative (COR) software tool to help provide near real-time visibility over the appointment of new DFAS CORs.</p> <p>OGE examined 12 new entrant confidential reports filed at DFAS from November 2018 through March 2019 during this third follow-up review. Of the 12 reports examined, 8 (67%) were filed timely.</p> <p>With regard to the four reports that were filed late, OGE was advised that three of the four filers were contracting specialists that were misidentified as being annual filers within the Department of Defense Financial Disclosure Management electronic filing system.</p> <p>According to the DFAS Ethics Program Manager this issue has since been corrected.</p> <p>Late identification for the fourth filer occurred as a result of the Ethics Office not being notified in a timely manner due to the responsible contracting officer being on extended leave.</p>	Closed

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Filing timeliness has steadily improved from the 22% found in OGE's first follow-up review and the 57% found in OGE's second follow-up review. OGE concludes that the actions taken by the Ethics Office appear to be working to help improve filing timeliness.

OGE encourages DFAS to continue efforts to improve new entrant confidential report filing timeliness.

Based on the results of its third follow-up review, OGE has concluded that this recommendation is now closed.

ETHICS PROGRAM INSPECTION REPORT

Agency: Defense Finance and Accounting Service

Report No.: 16-38I

Date: May 26, 2016

Period Covered by Review: January – December 2015

**UNITED STATES OFFICE OF
GOVERNMENT ETHICS**
Preventing Conflicts of Interest
in the Executive Branch**1.0 AGENCY DATA**

	EMPLOYEES (as reported in the most recent Annual Ethics Program Questionnaire)	
1.1	Number of full-time agency employees	11,848
1.2	Number of agency special Government employees	0
1.3	Number of Presidentially appointed, Senate-confirmed (PAS) public financial disclosure reports required to be filed	0
1.4	Number of non-PAS public financial disclosure reports required to be filed	26
1.5	Number of confidential financial disclosure reports required to be filed	175
	ETHICS PROGRAM	
1.6	Title of Designated Agency Ethics Official (DAEO)	General Counsel
1.7	Grade level of DAEO	SES
1.8	Title of Alternate DAEO (ADAEO)	Deputy General Counsel
1.9	Grade level of ADAEO	GS 15
1.10	Title of the primary, day-to-day ethics program administrator	Assistant Counsel
1.11	Grade level of the primary, day-to-day ethics program administrator	GS 13
1.12	Current number of full-time ethics officials	1
1.13	Current number of part-time ethics officials	4
1.14	Average full-time equivalent (FTE) value of a part-time ethics official(s) (For example, if part-time ethics officials at the agency generally devote 10 hours per week to ethics work, the average FTE value is 25%.)	10%
1.15	Number of reporting levels between the DAEO and the agency head	1
	COMMENTS	
	(1.3) The Defense Finance and Accounting Service (DFAS) does not have any Presidentially appointed, Senate-confirmed officials (PAS).	

2.0 LEADERSHIP

	COMPLIANCE REQUIREMENT	Yes	No	N/A
2.1	OGE has received an up-to-date designation from the agency head naming the DAEO. <i>See 5 C.F.R. § 2638.202(c).</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2	OGE has received an up-to-date designation from the agency head naming the ADAEO. <i>See 5 C.F.R. § 2638.202(c).</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	COMMENTS			
	(2.1-2.2) OGE had not received an up-to-date designation letter naming the DAEO or ADAEO before the start of the inspection. DFAS subsequently provided an up-to-date designation letter naming both the DAEO and ADAEO on May 10, 2016.			

3.0 ETHICS AGREEMENTS

	COMPLIANCE REQUIREMENT	Yes	No	N/A
3.1	During the period under review, all PAS officials complied with their ethics agreements. <i>See 5 C.F.R. § 2634.804.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3.2	During the period under review, all PAS officials complied with their ethics agreements in a timely fashion. <i>See 5 C.F.R. § 2634.804.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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3.3	During the period under review, the agency notified OGE of ethics agreement compliance in a timely fashion. <i>See</i> DO-09-015.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3.4	For all officials currently in PAS positions, the agency maintains documentation of actions taken to comply with ethics agreements. <i>See</i> 5 C.F.R. § 2634.804.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3.5	For all officials currently in PAS positions, ethics agreements are maintained with their financial disclosure reports. <i>See</i> 5 C.F.R. § 2634.805.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
COMMENTS				
(3.1-3.5) DFAS does not have any PAS officials.				

4.0	PUBLIC FINANCIAL DISCLOSURE (OGE Form 278, OGE Form 278-T)			
	COMPLIANCE REQUIREMENT	Yes	No	N/A
4.1	The agency has written policies and procedures in place governing: See 5 U.S.C. app. IV, § 402(d)(1).			
4.1.1	• Collection of public financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.1.2	• Review/evaluation of public financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.1.3	• Public availability of public financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.2	The agency can demonstrate that late filing fees are collected or, where appropriate, waivers are issued when public filers do not timely file financial disclosure reports.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4.3	Public financial disclosure reports are securely maintained. See OGE/GOVT-1.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4	Public financial disclosure reports are retained in accordance with the retention requirements. See 5 C.F.R. § 2634.603(g)(1).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	DATA ANALYSIS	%		
4.5	Percentage of sampled non-PAS new entrant reports filed timely. See 5 C.F.R. § 2634.201(b).	100%		
4.6	Percentage of sampled non-PAS annual reports filed timely. See 5 C.F.R. § 2634.201(a).	100%		
4.7	Percentage of sampled non-PAS termination reports filed timely. See 5 C.F.R. § 2634.201(e).	100%		
4.8	Percentage of sampled non-PAS public financial disclosure reports certified timely (within 60 days of receipt or later when additional information was being sought or remedial action was being taken). See PA-11-04.	88%		
4.9	Percentage of sampled PAS annual reports filed timely. See 5 C.F.R. § 2634.201(a).	N/A		
4.10	Percentage of sampled PAS termination reports filed timely. See 5 C.F.R. § 2634.201(e).	N/A		
4.11	Percentage of sampled PAS annual and termination reports certified timely (within 60 days of receipt or later when additional information was being sought or remedial action was being taken). See 5 C.F.R. § 2634.605(a).	N/A		
	COMMENTS			
	<u>Comments</u> (4.2) No reports were filed more than 30 days late in 2015. (4.9-4.11) DFAS does not have any PAS officials.			

5.0	CONFIDENTIAL FINANCIAL DISCLOSURE			
	COMPLIANCE REQUIREMENT	Yes	No	N/A
5.1	The agency has written policies and procedures in place governing: <i>See</i> 5 U.S.C app. IV, § 402(d)(1).			
5.1.1	• Collection of confidential financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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5.1.2	<ul style="list-style-type: none">Review/evaluation of confidential financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.2	Confidential financial disclosure reports are securely maintained. <i>See</i> OGE/GOVT-2.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.3	The agency’s OGE-approved alternative confidential financial disclosure system complies with plans approved by OGE. <i>See</i> 5 C.F.R. § 2634.905(a).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5.4	Confidential financial disclosure reports are retained in accordance with the retention requirements. <i>See</i> 5 C.F.R. § 2634.604.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DATA ANALYSIS		%		
5.5	Percentage of sampled confidential new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(b).	36%		
5.6	Percentage of sampled confidential annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(a).	100%		
5.7	Percentage of sampled confidential financial disclosure reports certified timely (within 60 days of receipt or later when additional information was being sought or remedial action was being taken). <i>See</i> 5 C.F.R. §§ 2634.605(a), 2634.909(a).	97%		
COMMENTS				
<u>Comment</u> (5.3) DFAS does not have an alternative confidential financial disclosure system.				
<u>Concern</u> (5.5) Of the 11 new entrant confidential financial disclosure reports OGE examined, 7 were filed late. OGE recommends that DFAS implement corrective action to ensure that new entrant confidential reports are filed timely. This corrective action may require increased coordination with the agency’s Human Resources Office and supervisors. OGE will conduct a follow-up review to assess the effectiveness of the actions taken.				

6.0	INITIAL ETHICS ORIENTATION			
	COMPLIANCE REQUIREMENT	Yes	No	N/A
6.1	All initial ethics orientation material contains: <i>See</i> 5 C.F.R. § 2638.703(a) and (b).			
6.1.1	<ul style="list-style-type: none">Current contact information of relevant ethics official(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.1.2	<ul style="list-style-type: none">Copy of the Standards of Ethical Conduct and any agency supplemental standards to keep or review; orSummaries of the Standards, any agency supplemental standards, and 14 Principles for employees to keep	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2	The agency can demonstrate that it has an effective process to ensure that new employees receive initial ethics orientations. <i>See</i> 5 C.F.R. § 2638.703(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	DATA ANALYSIS	%		
6.3	Percentage of new agency employees who received initial ethics orientation within 90 days. <i>See</i> 5 C.F.R. § 2638.703.	100%		
	COMMENTS			
	None			

7.0	ANNUAL ETHICS TRAINING			
	COMPLIANCE REQUIREMENT	Yes	No	N/A
7.1	All annual ethics training material contains: <i>See</i> 5 C.F.R. § 2638.704(b).			
7.1.1	<ul style="list-style-type: none"> Current contact information of relevant ethics official(s) 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.2	<ul style="list-style-type: none"> Review of the criminal conflict of interest statutes 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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7.1.3	<ul style="list-style-type: none">Review of the Standards of Ethical Conduct	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.4	<ul style="list-style-type: none">Review of the 14 Principles	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.5	<ul style="list-style-type: none">Review of any agency supplemental standards	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.2	The agency can demonstrate that it has an effective process to ensure that covered employees receive annual ethics training. <i>See</i> 5 C.F.R. § 2638.704(c) and 705(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	DATA ANALYSIS	%		
7.3	Public financial disclosure filers who completed annual ethics training. <i>See</i> 5 C.F.R. § 2638.704(a).	100%		
7.4	Confidential financial disclosure filers who completed annual ethics training. <i>See</i> 5 C.F.R. § 2638.705(a)(3).	100%		
	COMMENTS			
	None			

8.0 ETHICS ADVICE AND COUNSELING

COMPLIANCE REQUIREMENT		Yes	No	N/A
8.1	Based on a sample collected by OGE, guidance provided by agency ethics officials to employees appears to be consistent with applicable laws and regulations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMENTS				
None				

9.0 RECOMMENDATION(S)

#	Element	RECOMMENDATION	Compliance Due
1	5.5	<p><u>RECOMMENDATION:</u> Implement corrective action to ensure that new entrant confidential reports are filed timely. This corrective action may require increased coordination with the agency's Human Resources Office and supervisors.</p> <p><u>AGENCY RESPONSE:</u> Thank you for the draft OGE review report you provided to us on May 11, 2016. DFAS concurs with the recommendation in the report and concurs that we can improve our process for timely identifying new entrant filers whose collateral assigned duties qualify them as confidential financial disclosure report filers. We propose taking the following steps in line with your recommendations:</p> <ul style="list-style-type: none"> • The DFAS Ethics Program will coordinate with DFAS Human Resources to incorporate information about the confidential financial disclosure filing requirements into supervisor training and provide tools for supervisors to identify confidential financial disclosure report filers. • Send periodic reminders to all supervisors of the filing requirements with information on the process for getting filers registered. • Work with DFAS Contracting Services Directorate (CSD) to ensure that information about the filing requirements are incorporated into the initial and annual training that is provided to all certified Contracting Officer's Representatives (CORs), as almost all the new entrant collateral confidential financial disclosure filers are CORs. • Obtain a list of all active CORs from DFAS CSD which will be updated whenever there is a change. This list can be compared to the ethics program's list of current filers and unregistered filers identified. 	November 2016

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		We believe these steps will significantly improve our ability to timely identify and register any employees whose collateral duties require them to file the confidential financial disclosure report by addressing the problem on both the supervisor side and on the filer side. We believe that this multiple prong approach will make it far more likely that new entrants will either be identified by their supervisors or that they will self-report.	
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UNITED STATES OFFICE OF GOVERNMENT ETHICS

November 27, 2018

Dwight D. Creasy
General Counsel and
Designated Agency Ethics Official
Defense Finance and Accounting Service
Room #208AA
8899 East 56th Street
Indianapolis, IN 46249

Dear Mr. Creasy:


As a result of its review of the Defense Finance and Accounting Service (DFAS) ethics program, the Office of Government Ethics (OGE) issued one recommendation in its May 2016 ethics inspection report. In May 2018, OGE conducted a follow-up review to assess whether DFAS had taken sufficient action to resolve the deficiency underlying the recommendation. OGE determined that more time was needed to determine whether the actions taken by DFAS were effective. OGE recently conducted its second follow-up review in October 2018. Based on the results of the second follow-up review, OGE has determined that this recommendation should remain open. The results of our second follow-up review are summarized below.

Recommendation
Implement corrective action to ensure that new entrant confidential reports are filed timely. This corrective action may require increased coordination with the agency's Human Resources Office and supervisors.
Agency Action and OGE Finding
<p>Most of DFAS's difficulty in identifying new entrant filers arises when employees are assigned to serve as Contracting Officer's Technical Representatives (COTR) without notification to ethics officials. A COTR's duties generally require that the employee file a new entrant confidential report. While OGE recognized in its first follow-up review that the DFAS Ethics Program Manager was taking actions to resolve this issue, OGE concluded that more time was needed to determine whether these actions were effective. Of the nine new entrant confidential reports OGE examined during the first follow-up review, seven (22%) were filed late.</p> <p>OGE examined all seven new entrant confidential reports filed at DFAS from April through August 2018 during its second follow-up review. Of the seven reports, three (43%) were filed late. While filing timeliness has improved from the 22% found in OGE's first follow-review, improvement is still needed.</p>
Status of Recommendation: Open

Mr. Dwight D. Creasy
Page 2

OGE will conduct a third follow-up in approximately March 2019 to determine whether this recommendation can be closed. I appreciate the courtesies your staff extended to the OGE program inspection staff. If you would like to discuss the report, please contact me at 202-482-9223.

Sincerely,



Doug Chapman
Chief, Program Review Branch

UNITED STATES OFFICE OF
GOVERNMENT ETHICS



May 30, 2018

Dwight D. Creasy
Designated Agency Ethics Official
Defense Finance and Accounting Service
8899 East 56th Street
Indianapolis, IN 46249

Dear Mr. Creasy:

As a result of its review of the Defense Finance and Accounting Service (DFAS) ethics program, the Office of Government Ethics (OGE) issued one recommendation in its May 2016 inspection report. OGE recently conducted a follow-up review to determine whether DFAS has taken sufficient action to resolve the deficiency underlying the recommendation. Based on the results of our follow-up review, OGE has determined that this recommendation will remain open. The results of our follow-up review are summarized below.

Recommendation
Implement corrective action to ensure that new entrant confidential reports are filed timely. This corrective action may require increased coordination with the agency's Human Resources Office and supervisors.
OGE Finding and Agency Action
<p>OGE examined all 9 new entrant confidential reports filed at DFAS from January through March 2018. Of the 9 new entrant reports examined, 7 were filed late.</p> <p>The DFAS Ethics Program Manager advised OGE that most of DFAS' difficulties in identifying new entrant filers arise when employees are assigned new Contracting Officer Technical Representative (COTR) duties throughout the year that require them to file a confidential report. While DFAS' Ethics Office has taken steps to help resolve this deficiency by working with the COTR program to help enhance awareness of the 30-day filing requirement, the Ethics Program Manager acknowledged that these efforts have been somewhat unsuccessful.</p> <p>Additionally, OGE notes that since its 2016 review, DFAS' Ethics Office has experienced turnover. Shortly after OGE's 2016 review, the current Ethics Program Manager, who was the primary ethics attorney at that time, left the Ethics Office to move into an acquisitions role within the agency. In November 2017, the Ethics Program Manager's successor left the agency and the current Ethics Program Manager returned to the ethics program.</p>



During the follow-up review, the Ethics Program Manager advised OGE that some proactive steps to help better address this problem have been taken. For example, the Ethics Program Manager is working to 1) update COTR procedures to make COTRs and their appointing Contracting Officers aware of the 30-day filing requirement and 2) require Contracting Officers to notify the Ethics Program Manager every time a COTR is appointed to a new DFAS contract. The Ethics Program Manager believes these steps will help mitigate the problem of untimely filing by COTRs since the Ethics Office will be in position to actively identify COTR new entrant filers, rather than passively wait for them to identify themselves.

OGE concurs with the Ethics Program Manager and believes these steps, once fully implemented, should help to address the underlying deficiency. OGE reminds DFAS that timely filing of financial disclosure reports is critical to detecting and preventing conflicts of interest and therefore strongly encourages the Ethics Office to make every effort to improve filing timeliness.

Status of Recommendation: **Open**

I appreciate the courtesies your staff extended to the OGE program inspection staff. If you would like to discuss the report, please contact me at 202-482-9224. OGE will conduct a second follow-up in October 2018 to assess the results of DFAS' actions and whether this recommendation can be closed.

Sincerely,

A handwritten signature in black ink, appearing to be 'Dale Christopher', written in a cursive style.

Dale Christopher
Deputy Director for Compliance

ETHICS PROGRAM INSPECTION REPORT

Agency: Defense Finance and Accounting Service

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	EMPLOYEES (as reported in the most recent Annual Ethics Program Questionnaire)	
1.1	Number of full-time agency employees	11,848
1.2	Number of agency special Government employees	0
1.3	Number of Presidentially appointed, Senate-confirmed (PAS) public financial disclosure reports required to be filed	0
1.4	Number of non-PAS public financial disclosure reports required to be filed	26
1.5	Number of confidential financial disclosure reports required to be filed	175
	ETHICS PROGRAM	
1.6	Title of Designated Agency Ethics Official (DAEO)	General Counsel
1.7	Grade level of DAEO	SES
1.8	Title of Alternate DAEO (ADAEO)	Deputy General Counsel
1.9	Grade level of ADAEO	GS 15
1.10	Title of the primary, day-to-day ethics program administrator	Assistant Counsel
1.11	Grade level of the primary, day-to-day ethics program administrator	GS 13
1.12	Current number of full-time ethics officials	1
1.13	Current number of part-time ethics officials	4
1.14	Average full-time equivalent (FTE) value of a part-time ethics official(s) (For example, if part-time ethics officials at the agency generally devote 10 hours per week to ethics work, the average FTE value is 25%.)	10%
1.15	Number of reporting levels between the DAEO and the agency head	1
	COMMENTS	
	(1.3) The Defense Finance and Accounting Service (DFAS) does not have any Presidentially appointed, Senate-confirmed officials (PAS).	

2.0 LEADERSHIP

	COMPLIANCE REQUIREMENT	Yes	No	N/A
2.1	OGE has received an up-to-date designation from the agency head naming the DAEO. <i>See</i> 5 C.F.R. § 2638.202(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2	OGE has received an up-to-date designation from the agency head naming the ADAEO. <i>See</i> 5 C.F.R. § 2638.202(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	COMMENTS			
	(2.1-2.2) OGE had not received an up-to-date designation letter naming the DAEO or ADAEO before the start of the inspection. DFAS subsequently provided an up-to-date designation letter naming both the DAEO and ADAEO on May 10, 2016.			

3.0 ETHICS AGREEMENTS

	COMPLIANCE REQUIREMENT	Yes	No	N/A
3.1	During the period under review, all PAS officials complied with their ethics agreements. <i>See</i> 5 C.F.R. § 2634.804.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3.2	During the period under review, all PAS officials complied with their ethics agreements in a timely fashion. <i>See</i> 5 C.F.R. § 2634.804.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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3.3	During the period under review, the agency notified OGE of ethics agreement compliance in a timely fashion. <i>See</i> DO-09-015.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3.4	For all officials currently in PAS positions, the agency maintains documentation of actions taken to comply with ethics agreements. <i>See</i> 5 C.F.R. § 2634.804.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3.5	For all officials currently in PAS positions, ethics agreements are maintained with their financial disclosure reports. <i>See</i> 5 C.F.R. § 2634.805.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
COMMENTS				
(3.1-3.5) DFAS does not have any PAS officials.				

4.0	PUBLIC FINANCIAL DISCLOSURE (OGE Form 278, OGE Form 278-T)			
	COMPLIANCE REQUIREMENT	Yes	No	N/A
4.1	The agency has written policies and procedures in place governing: See 5 U.S.C. app. IV, § 402(d)(1).			
4.1.1	• Collection of public financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.1.2	• Review/evaluation of public financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.1.3	• Public availability of public financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.2	The agency can demonstrate that late filing fees are collected or, where appropriate, waivers are issued when public filers do not timely file financial disclosure reports.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4.3	Public financial disclosure reports are securely maintained. See OGE/GOVT-1.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4	Public financial disclosure reports are retained in accordance with the retention requirements. See 5 C.F.R. § 2634.603(g)(1).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	DATA ANALYSIS	%		
4.5	Percentage of sampled non-PAS new entrant reports filed timely. See 5 C.F.R. § 2634.201(b).	100%		
4.6	Percentage of sampled non-PAS annual reports filed timely. See 5 C.F.R. § 2634.201(a).	100%		
4.7	Percentage of sampled non-PAS termination reports filed timely. See 5 C.F.R. § 2634.201(e).	100%		
4.8	Percentage of sampled non-PAS public financial disclosure reports certified timely (within 60 days of receipt or later when additional information was being sought or remedial action was being taken). See PA-11-04.	88%		
4.9	Percentage of sampled PAS annual reports filed timely. See 5 C.F.R. § 2634.201(a).	N/A		
4.10	Percentage of sampled PAS termination reports filed timely. See 5 C.F.R. § 2634.201(e).	N/A		
4.11	Percentage of sampled PAS annual and termination reports certified timely (within 60 days of receipt or later when additional information was being sought or remedial action was being taken). See 5 C.F.R. § 2634.605(a).	N/A		
	COMMENTS			
	<u>Comments</u> (4.2) No reports were filed more than 30 days late in 2015. (4.9-4.11) DFAS does not have any PAS officials.			

5.0	CONFIDENTIAL FINANCIAL DISCLOSURE			
	COMPLIANCE REQUIREMENT	Yes	No	N/A
5.1	The agency has written policies and procedures in place governing: <i>See</i> 5 U.S.C app. IV, § 402(d)(1).			
5.1.1	• Collection of confidential financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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5.1.2	• Review/evaluation of confidential financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.2	Confidential financial disclosure reports are securely maintained. <i>See</i> OGE/GOVT-2.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.3	The agency’s OGE-approved alternative confidential financial disclosure system complies with plans approved by OGE. <i>See</i> 5 C.F.R. § 2634.905(a).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5.4	Confidential financial disclosure reports are retained in accordance with the retention requirements. <i>See</i> 5 C.F.R. § 2634.604.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DATA ANALYSIS		%		
5.5	Percentage of sampled confidential new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(b).	36%		
5.6	Percentage of sampled confidential annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(a).	100%		
5.7	Percentage of sampled confidential financial disclosure reports certified timely (within 60 days of receipt or later when additional information was being sought or remedial action was being taken). <i>See</i> 5 C.F.R. §§ 2634.605(a), 2634.909(a).	97%		
COMMENTS				
<u>Comment</u> (5.3) DFAS does not have an alternative confidential financial disclosure system.				
<u>Concern</u> (5.5) Of the 11 new entrant confidential financial disclosure reports OGE examined, 7 were filed late. OGE recommends that DFAS implement corrective action to ensure that new entrant confidential reports are filed timely. This corrective action may require increased coordination with the agency’s Human Resources Office and supervisors. OGE will conduct a follow-up review to assess the effectiveness of the actions taken.				

6.0	INITIAL ETHICS ORIENTATION			
	COMPLIANCE REQUIREMENT	Yes	No	N/A
6.1	All initial ethics orientation material contains: <i>See</i> 5 C.F.R. § 2638.703(a) and (b).			
6.1.1	<ul style="list-style-type: none">Current contact information of relevant ethics official(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.1.2	<ul style="list-style-type: none">Copy of the Standards of Ethical Conduct and any agency supplemental standards to keep or review; orSummaries of the Standards, any agency supplemental standards, and 14 Principles for employees to keep	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2	The agency can demonstrate that it has an effective process to ensure that new employees receive initial ethics orientations. <i>See</i> 5 C.F.R. § 2638.703(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	DATA ANALYSIS	%		
6.3	Percentage of new agency employees who received initial ethics orientation within 90 days. <i>See</i> 5 C.F.R. § 2638.703.	100%		
	COMMENTS			
	None			

7.0	ANNUAL ETHICS TRAINING			
	COMPLIANCE REQUIREMENT	Yes	No	N/A
7.1	All annual ethics training material contains: <i>See</i> 5 C.F.R. § 2638.704(b).			
7.1.1	• Current contact information of relevant ethics official(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.2	• Review of the criminal conflict of interest statutes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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7.1.3	<ul style="list-style-type: none">Review of the Standards of Ethical Conduct	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.4	<ul style="list-style-type: none">Review of the 14 Principles	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.5	<ul style="list-style-type: none">Review of any agency supplemental standards	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.2	The agency can demonstrate that it has an effective process to ensure that covered employees receive annual ethics training. <i>See</i> 5 C.F.R. § 2638.704(c) and 705(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	DATA ANALYSIS	%		
7.3	Public financial disclosure filers who completed annual ethics training. <i>See</i> 5 C.F.R. § 2638.704(a).	100%		
7.4	Confidential financial disclosure filers who completed annual ethics training. <i>See</i> 5 C.F.R. § 2638.705(a)(3).	100%		
	COMMENTS			
	None			

8.0 ETHICS ADVICE AND COUNSELING

COMPLIANCE REQUIREMENT		Yes	No	N/A
8.1	Based on a sample collected by OGE, guidance provided by agency ethics officials to employees appears to be consistent with applicable laws and regulations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMENTS				
None				

9.0 RECOMMENDATION(S)

#	Element	RECOMMENDATION	Compliance Due
1	5.5	<p>RECOMMENDATION: Implement corrective action to ensure that new entrant confidential reports are filed timely. This corrective action may require increased coordination with the agency's Human Resources Office and supervisors.</p> <p>AGENCY RESPONSE: Thank you for the draft OGE review report you provided to us on May 11, 2016. DFAS concurs with the recommendation in the report and concurs that we can improve our process for timely identifying new entrant filers whose collateral assigned duties qualify them as confidential financial disclosure report filers. We propose taking the following steps in line with your recommendations:</p> <ul style="list-style-type: none"> • The DFAS Ethics Program will coordinate with DFAS Human Resources to incorporate information about the confidential financial disclosure filing requirements into supervisor training and provide tools for supervisors to identify confidential financial disclosure report filers. • Send periodic reminders to all supervisors of the filing requirements with information on the process for getting filers registered. • Work with DFAS Contracting Services Directorate (CSD) to ensure that information about the filing requirements are incorporated into the initial and annual training that is provided to all certified Contracting Officer's Representatives (CORs), as almost all the new entrant collateral confidential financial disclosure filers are CORs. • Obtain a list of all active CORs from DFAS CSD which will be updated whenever there is a change. This list can be compared to the ethics program's list of current filers and unregistered filers identified. 	November 2016

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		We believe these steps will significantly improve our ability to timely identify and register any employees whose collateral duties require them to file the confidential financial disclosure report by addressing the problem on both the supervisor side and on the filer side. We believe that this multiple prong approach will make it far more likely that new entrants will either be identified by their supervisors or that they will self-report.	
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