

ETHICS PROGRAM REVIEW FOLLOW-UP REPORT

Agency: U.S. Department of Defense—Office of the Secretary

Follow-up to OGE Report Number: 19-42

Report No.: 22-16F

Date: January 25, 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 Defense (DoD), Office of the Secretary (OSD) ethics program, the Office of Government Ethics (OGE) issued four recommendations in its September 2019 review report. OGE conducted a follow-up review to assess whether the Office of the Secretary 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 | Ensure that financial disclosure filers obtain prior approval for outside activities involving prohibited sources as required by the DoD supplemental regulation until relevant revisions of the supplemental regulation are finalized. | DoD's revisions to 5 CFR 3601 have been approved by OGE and DoD Standards of Conduct Office (SOCO) is now working with the DoD Office of the Director of Administration and Management on publication in the Federal Register. The change will provide for approval of a financial disclosure filer's outside employment with a prohibited source to be documented via supervisory review and comment in the employee's electronically filed financial disclosure report. SOCO does not track or maintain records of approvals between supervisors and subordinates. Financial disclosure filers are still required to obtain prior approval for outside activities involving prohibited sources until DOD's revised regulation is final. | Closed |
| 2 | Make every reasonable effort to locate, review and certify all of the missing confidential financial disclosure reports filed by Defense Policy Board members in 2018. | SOCO stated ten of the reports were submitted for review in 2018. SOCO accepted the fact that the additional reports could not be located and took corrective action to ensure proper control of reports in the future. | Closed |

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| 3 | Within six months, report back to OGE on the status of the planned improvements to the FACA appointment and annual renewal processes. | SOCO initiated a three pronged approach to improving the FACA appointment process: <ol style="list-style-type: none">1) Improve appointment/re-appointment processes (worked with HR to ensure USA staffing sent correct documentation to ethics office).2) Update DoD FACA Instruction to clarify DFO ethics responsibilities (signed May 2021).3) New online ethics compliance tracking application (SGE portion completed in April 2021). | Closed |
| 4 | Ensure that all SGE advisory committee members receive the required ethics training. | SOCO stated that they are reviewing packages for new appointments. A review of SGE training will be conducted on a later follow-up inspection. SOCO requires, as part of each appointment/renewal package, a certification that the prospective member has reviewed the current SGE Training Guide to ensure that guidance is received pending scheduling of meetings | Open |

Based on the results of OGE's follow-up review, recommendations 1-3 are closed. OGE will conduct an additional follow-up review in approximately 12 months to assess whether OSD has taken sufficient action to resolve the deficiencies underlying recommendation 4, which remains open.