

UNITED STATES OFFICE OF  
GOVERNMENT ETHICS



January 31, 2017

Tammy L. Kennedy  
Chief Counsel, Southeast District (North) and  
Designated Agency Ethics Official  
Department of Veterans Affairs  
3322 West End Avenue, Suite 509  
Nashville, TN 37203

Dear Ms. Kennedy:

In September 2014, the United States Office of Government Ethics (OGE) issued a report on its review of the U.S. Department of Veterans Affairs (VA) ethics program. The September 2014 report included 22 recommendations for improvement. Six recommendations were addressed by VA during the course of the initial review and closed before the issuance of the September 2014 report. Sixteen recommendations were left open. OGE closed all but 3 of the remaining 16 recommendations during its May 2016 follow-up review. OGE recently conducted a second follow-up review to assess whether VA has taken action to resolve or sufficiently mitigate the deficiencies underlying the remaining three recommendations. The results of the follow-up review are summarized below.

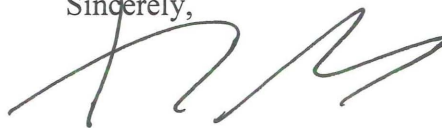
	Recommendation	Agency Action and OGE Finding	Status
3	OGE recommends that VA ensure that its public filers file their reports before the filing deadline.	VA's Ethics Specialty Team (EST) coordinated more closely with the Corporate Senior Executive Management Office, the office that processes incoming and outgoing senior employees. This allowed EST to identify new entrant and termination filers more quickly, which in turn contributed to a significant increase in filing timeliness.  OGE reviewed a sample of 125 public financial disclosure reports filed in 2016 and found that filing timeliness improved from 57% (in 2015) to 88%.	Closed



5	<p>OGE recommends that VA increase its capacity to perform conflict of interest reviews of public financial disclosure reports.</p>	<p>VA has trained all of its ethics attorneys to perform conflict of interest reviews of public financial disclosure reports. Previously, only attorneys in VA's central office were trained to perform these reviews.</p> <p>VA has also fully transitioned to <i>Integrity</i>, the executive branch-wide electronic filing system. This streamlines the financial disclosure review process, creating more time for ethics attorneys to perform in-depth conflict reviews. Starting with the 2017 filing cycle, <i>Integrity's</i> comparison feature will create additional efficiencies, as it allows the reviewers to isolate and focus their conflicts analysis on new entries which will not have been previously screened.</p> <p>In addition, on December 12, 2016, OGE conducted training for VA ethics attorneys which covered conflicts of interest. Leaders within VA's ethics office believe that this training has further improved their capacity to perform conflict of interest reviews.</p>	Closed
7	<p>OGE recommends that VA ensure that employees required to file confidential financial disclosure reports file their reports before the filing deadline.</p>	<p>EST is working to improve filing timeliness by pursuing delinquent filers more resolutely, which includes contacting the filers' direct supervisors. Furthermore, VA ethics leadership believes that recent revisions to 5 C.F.R. Part 2638, which require increased human resources involvement in the financial disclosure process, will help increase timeliness significantly.</p> <p>OGE reviewed a sample of 40 new entrant and 40 annual confidential financial disclosure reports. Overall filing timeliness was 46%. This recommendation will remain open until OGE can evaluate the effects of the aforementioned new measures and requirements.</p>	Open

Thank you for your assistance during the follow-up process. OGE will perform a third follow-up during 2017 to assess the status of the remaining open recommendation. We encourage you to contact your OGE Desk Officer for ethics program support.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dale Christopher', with a stylized, cursive-like script.

Dale Christopher  
Deputy Director for Compliance