

ETHICS PROGRAM REVIEW FOLLOW-UP REPORT

Agency: Armed Forces Retirement Home

Follow-up to OGE Report Number: 22-49I

Report No.: 23-41F

Date: August 14, 2023

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

As a result of its inspection of the Armed Forces Retirement Home's (AFRH) ethics program, the Office of Government Ethics (OGE) issued five recommendations in its August 2022 inspection report. OGE conducted a follow-up review in June 2023 to assess whether AFRH has taken sufficient action to resolve the deficiencies underlying these recommendations. The results of our follow-up review are summarized below.

	Recommendation	Agency Action and OGE Finding	Status
1	Update the agency's written notice to prospective employees to include the DAEO's contact information.	<p>Noted in OGE's August 2022 inspection report, AFRH outsources hiring actions to the Department of Treasury's Bureau of Fiscal Services (BFS). BFS was not including the ethics-related content required by 5 C.F.R. § 2638.303 within the written offers of employment sent to prospective AFRH employees.</p> <p>During the follow-up review, OGE examined a written offer letter issued to a prospective AFRH employee in March 2023 and found the letter did not include the DAEO's contact information.</p> <p>The DAEO indicated that he will again forward OGE's recommendation and his request that BFS make the required changes to AFRH's written offer letter. OGE will keep this recommendation open pending additional follow-up.</p>	Open
2	Update the written notice to prospective employees to include an explanation that new entrant reports must be filed within 30 days of appointment, as appropriate.	Although the March 2023 written offer letter referenced in Recommendation 1 above included a statement regarding financial disclosure filing, the notice did not indicate the timeframe for the prospective employee to file the report. OGE will keep this recommendation open pending additional follow-up.	Open

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3	<p>Establish written procedures for issuing notices to prospective employees. Ensure that these procedures include the DAEO's review of these written procedures each year as required by 5 C.F.R. § 2638.303(c).</p>	<p>During the follow-up review, OGE examined AFRH's updated written procedures governing the agency's ethics program and found the procedures for issuing notices to prospective employees to reference only the DAEO's responsibility to ensure notices are properly issued.</p> <p>These procedures should be more fulsome by mentioning the functions outsourced to BFS and including the contact information for the appropriate staff within BFS, should questions arise. A reference to the contract/agreement between the AFRH and BFS could also be helpful to future AFRH ethics officials when viewing these procedures through the lens of succession planning.</p> <p>These procedures should also reference the DAEO's responsibility of performing annual reviews of the agency's written procedures for issuing required notices to prospective employees, as required by 5 CFR § 2638.303(c). OGE will keep this recommendation open pending additional follow-up.</p>	Open
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4	Draft an appropriate notice for new supervisors and establish written procedures for issuing notices to new supervisors. Ensure that new supervisors receive the information required by 5 C.F.R. § 2638.306.	<p>Since AFRH supervisors had not been receiving the appropriate notice, the DAEO sent out an agency-wide email highlighting the required notice and included the content information in an article within AFRH's January/March 2023 edition of its employee newsletter as ways for all current AFRH supervisors to receive the information.</p> <p>OGE did not examine any notices that were sent to new supervisors during the follow-up review.</p> <p>OGE examined AFRH's updated written procedures governing the issuance of notices to new supervisors and found they only referenced the DAEO's responsibility to draft appropriate notices for new supervisors. As was mentioned in Recommendation 3 above, these procedures should be updated to provide more detail on AFRH's process for issuing notices to new supervisors. OGE will keep this recommendation open pending additional follow-up.</p>	Open
5	Ensure a means of verifying that initial ethics training is received even when the function is outsourced, as required by 5 C.F.R. § 2638.304.	<p>AFRH has not yet developed a means to verify initial ethics training was provided to new employees.</p> <p>OGE will keep this recommendation open pending additional follow-up.</p>	Open

Based on the results of OGE's first follow-up review, OGE will conduct an additional follow-up review in September 2023 to assess whether these five recommendations can be closed.