

ETHICS PROGRAM INSPECTION REPORT

Agency: Peace Corps

Report No.: 17-33I

Date: June 21, 2017

Period Covered by Review: January 1 –December 31, 2016



1.0 AGENCY DATA		
EMPLOYEES (as reported in the most recent Annual Ethics Program Questionnaire)		
1.1	Number of full-time agency employees	1,059
1.2	Number of agency special Government employees	8
1.3	Number of Presidentially appointed, Senate-confirmed (PAS) public financial disclosure reports required to be filed	1
1.4	Number of non-PAS public financial disclosure reports required to be filed	42
1.5	Number of confidential financial disclosure reports required to be filed	440
ETHICS PROGRAM		
1.6	Title of Designated Agency Ethics Official (DAEO)	Associate General Counsel
1.7	Grade level of DAEO	FP1, Equivalent to GS-15
1.8	Title of Alternate DAEO (ADAEO)	Associate General Counsel
1.9	Grade level of ADAEO	FP1
1.10	Title of the primary, day-to-day ethics program administrator	Program Analyst
1.11	Grade level of the primary, day-to-day ethics program administrator	FP3, Equivalent to GS-13
1.12	Current number of full-time ethics officials	0
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%.)	50%
1.15	Number of reporting levels between the DAEO and the agency head	2
COMMENTS		
None		

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					
None					

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"/>	
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"/>	

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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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMENTS				
(3.1-3.3) No PAS officials entered into an ethics agreement during the period under review.				

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: <i>See</i> 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.3	Public financial disclosure reports are securely maintained. <i>See</i> 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. <i>See</i> 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. <i>See</i> 5 C.F.R. § 2634.201(b).	46%		
4.6	Percentage of sampled non-PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).	95%		
4.7	Percentage of sampled non-PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).	78%		
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). <i>See</i> PA-11-04.	67%		
4.9	Percentage of sampled PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).	100%		
4.10	Percentage of sampled PAS termination reports filed timely. <i>See</i> 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). <i>See</i> 5 C.F.R. § 2634.605(a).	0%		
COMMENTS				
<p>(4.1.3) At the beginning of the inspection, Peace Corp’s written procedures did not address the public availability of OGE Forms 278 and 278-T. During the course of the inspection, Peace Corps updated its procedures to fully address the process to make the OGE Forms 278 and 278-T available to the public. Therefore, OGE is not issuing a recommendation for improvement.</p> <p>(4.5) Seven out of 13 new entrant reports required to be filed during the period covered by OGE’s inspection were filed late. Ethics officials explained that five of these reports were filed by individuals serving in an acting capacity in covered positions who at the outset of their appointment were not expected to remain in the position for longer than 60 days. However, the employees remained in the covered positions for longer than 60 days. Ethics officials did not timely notify these individuals of the requirement to file a public report within 15 calendar days after the sixtieth day of performing the duties of the covered position. <i>See</i> 5 C.F.R. § 2634.204(c)(1). OGE reminds Peace Corps to promptly identify individuals acting in covered positions that may require them to file a public report and closely monitor and track the number of days worked to ensure they are timely notified of the filing requirement.</p> <p>(4.7) Two out of the nine termination reports examined by OGE were filed late.</p> <p>(4.8) 18 of the 42 non-PAS public reports OGE reviewed were certified more than 60 days after the receipt of the report. According to ethics officials, in the majority of these instances the reports were reviewed within 60 days of receipt and the certification occurred after 60 days because the reviewer was awaiting additional information from the filers. Peace Corps uses <i>Integrity</i>, the executive branch electronic</p>				

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financial disclosure system to collect public financial disclosure reports. Ethics officials sometimes returned the public report to a filer within the system, to request the individual update the report with additional information. OGE observed instances in which a report had been returned to a filer for correction but had not been resubmitted by the filer for several months. Moreover, some reports were received by ethics officials but not processed timely. For example, ethics officials received two corrected, re-submitted reports from the filers but waited to certify the reports until several months later. OGE notes that reports should only exceed the 60 day certification deadline in the most exceptional circumstances. Late certification of financial disclosure reports increases the risk that employees might take official actions that affect their financial interests, in violation of criminal conflict of interest law.

(4.10) Peace Corps did not have any PAS termination public financial disclosure filers during the period under review.

(4.11) Only one annual report was required to be filed in 2016 by a Peace Corp PAS official. The report was certified late.

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"/>
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).			20%		
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).			80%		
COMMENTS						
(5.3) Peace Corps does not have an alternative confidential financial disclosure system.						
(5.5) 16 of the 20 new entrant confidential reports reviewed by OGE, were filed late.						

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	• Current contact information of relevant ethics official(s)			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.1.2	• Copy of the Standards of Ethical Conduct and any agency supplemental standards to keep or review; or • Summaries 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.			93%		

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COMMENTS	
None	

7.0 ANNUAL ETHICS TRAINING		Yes	No	N/A
COMPLIANCE REQUIREMENT				
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"/>
7.1.3	• Review of the Standards of Ethical Conduct	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.4	• Review of the 14 Principles	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.5	• Review of any agency supplemental standards	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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).	84%		
7.4	Confidential financial disclosure filers who completed annual ethics training. <i>See</i> 5 C.F.R. § 2638.705(a)(3).	87%		
COMMENTS				
(7.1.5) Peace Corps does not have supplemental standards. (7.3 & 7.4) Ethics officials indicated that some filers had departed the agency before the ethics training sessions were offered.				

8.0 ETHICS ADVICE AND COUNSELING		Yes	No	N/A
COMPLIANCE REQUIREMENT				
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)		Compliance Due
#	Element	RECOMMENDATION
1	4.5	<p>RECOMMENDATION: Ensure that non-PAS new entrant public financial disclosure reports are filed timely.</p> <p>AGENCY RESPONSE: During the review period, a large number of filers in this category began serving in an acting capacity as a result of the administration transition. This change tested staff's ability to provide timely notification to new entrants. Ethics staff worked with Human Resources staff and program office staff to improve the system of notifying Ethics staff of any new hires or appointments to covered positions requiring filing of public financial disclosure reports. Ethics staff receives bi-weekly and monthly reports from Human Resources staff and program offices to identify new entrants, notify them of the requirement, and issue periodic reminders to them to file timely. Ethics staff will immediately notify staff moving into acting roles of the potential requirement to complete a public financial disclosure report</p>
		July 15, 2018

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		if their appointment is expected to exceed 60 days. For those employees whose appointments are not expected to exceed 60 days, Ethics staff will periodically check in with staff to ascertain whether they are required to file. Ethics staff anticipates that new non-PAS political appointees will soon be joining the agency to fill the vacancies from the prior administration, and will be briefing them about their financial disclosure obligations, as required by OGE regulations. Also, Ethics staff intends to notify new hires who are SF 278 of their filing obligation during the initial ethics briefing required for all new employees, which generally occurs within the first two weeks of employment. For calendar year 2017, 100% of 278 filers (Annual, New Entrant, and Termination) filed timely.	
2	4.8 & 4.11	<p><u>RECOMMENDATION:</u> Ensure that all public financial disclosure reports are certified timely.</p> <p><u>AGENCY RESPONSE:</u> Ethics staff emphasis on accuracy consistency and thoroughness of review has, in some cases, led to certification of the 278 form after the expiration of the 60-day timeframe. As OGE acknowledged in Comment 4.8, the majority of these reports were reviewed within 60 days of receipt. Also, during a portion of the period covered by the inspection report there were only two Peace Corps staff members assigned Ethics duties. There are now four staff members assigned Ethics duties, which has yielded immediate, positive results for the agency Ethics program. For calendar year 2017, 43 of 44 (98%) 278 reports (Annual, New Entrant, and Termination) were certified within 60 days or are under review and less than 60 days old.</p>	July 15, 2018
3	5.5	<p><u>RECOMMENDATION:</u> Ensure that new entrant confidential financial disclosure reports are filed timely.</p> <p><u>AGENCY RESPONSE:</u> Ethics staff is working with our Human Resources staff and program office staff to improve the system of notifying Ethics staff of any new hires or promotions to positions requiring filing of confidential financial disclosure reports. Ethics staff receives bi-weekly and monthly reports from Humans Resources staff and program offices. Under the new system, new entrants receive an email with the electronic form attached and clear instructions to file the report within a specified period of time. If necessary, the filer receives a follow up email and the issue is elevated to the office director level.</p>	July 15, 2018