



United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

September 16, 2005

Nancy E. Weiss
Designated Agency Ethics Official
Institute of Museum and Library Services
Ninth Floor
1800 M Street, NW.
Washington, DC 20036

Dear Ms. Weiss:

The Office of Government Ethics (OGE) has completed a review of the Institute of Museum and Library Services' (IMLS) ethics program. The review was conducted pursuant to section 402 of the Ethics in Government Act of 1978, as amended (Ethics Act). Our objective was to determine the program's compliance with applicable laws and regulations. We also evaluated IMLS' systems and procedures for ensuring that ethics violations do not occur. The review was conducted in July 2005. The following summarizes our findings.

HIGHLIGHTS

Since OGE's last review in 1999, IMLS continues to have a sound ethics program. All the ethics program elements were found to be in compliance with applicable laws and regulations. In particular, the ethics education and training program exceeds the minimum regulatory requirements.

PROGRAM STRUCTURE

The number of personnel assigned to administer the ethics program appears adequate considering the size of IMLS. The ethics staff consists of you, as the Designated Agency Ethics Official (DAEO), the Alternate DAEO, and a Paralegal Specialist. The ethics program is located in the Office of General Counsel, and the ethics staff works on other duties in addition to ethics.

SUPPLEMENTAL STANDARDS

Supplemental Standards of Ethical Conduct for Employees of the Institute of Museum and Library Services, at 5 C.F.R. § 7701.102(a), require an employee other than a special Government employee (SGE) to obtain written approval from his or her immediate supervisor and you, as the DAEO, before engaging in any outside employment with a prohibited source. A prohibited source is within the meaning of 5 C.F.R. §2635.203(d) of the Standards of Ethical Conduct for Employees of

the Executive Branch (Standards), which you informed us includes libraries and museums that apply for grants from IMLS.

Application of the supplemental standards seems adequate. Employees complete an Outside Employment Questionnaire, which must be approved by both their supervisor and you prior to engaging in an outside activity. We examined four written requests for outside employment on file from 2003 through the end of our field work. Two requests were approved, one was disapproved due to a potential conflict, and one was withdrawn by the employee. Decisions regarding the requests appear to be appropriate.

SPECIAL GOVERNMENT EMPLOYEES

IMLS has SGEs on the National Museum and Library Services Board (Board) whose members advise IMLS on general policy with regard to museum and library services and on numerous panels whose members review grant applications that are funded by IMLS. Board members file a completed confidential financial disclosure report once nominated by the President (complete report), but file only the outside position portion of the report for each subsequent year (partial report). Panel members file an alternative form called a "Conflict of Interest Statement," which certifies that he/she has no conflicts with the grant applications he/she receives for review. We found that the process for screening the Board and panel members for potential conflicts of interest appears to be adequate.

To review the process for screening Board members for potential conflicts of interest, we examined all 20 reports required to be filed in 2004, which were comprised of 8 complete reports and 12 partial reports. To expedite the screening process, IMLS generates a list of the Board members' affiliations taken from information provided on the confidential reports. IMLS uses this list to identify potential conflicts related to IMLS activities. However, we found that two outside organizations reported by two Board members were erroneously omitted from the list. You informed us that the two organizations would be added to the list, and that the two organizations posed no conflicts since the Board members in question disqualify themselves from particular matters affecting those organizations. In addition, we found that the nominees who filed in the first quarter of 2004 were not required to file again prior to 2005. We suggest that you consider requesting that a Board member update such report if more than six months has expired since it was filed, in accordance with 5 C.F.R. §2634.903(b)(2)(ii).

To review the process for screening panel members, we selected a sample of two panel meetings: the Museums for America (MAP), Panel 4 that met on May 19-20, 2005 and the Native American Library Services Enhancement (NALSE) panel that met on August 2, 2004. Prior to panel meetings, which are held at IMLS, panel members located elsewhere field review the grant applications. Potential conflicts are resolved by reassigning the applications to other field panel members.

For MAP's May 19-20, 2005 panel, 10 members reviewed 60 applications. For NALSE's August 2, 2004 panel, 6 members reviewed 20 applications. We found that all 16 panel members filed Conflict of Interest Statements.

PUBLIC FINANCIAL DISCLOSURE SYSTEM

IMLS' public financial disclosure system appears to be well managed and maintained. To evaluate the effectiveness of the public system, we examined the two public reports required to be filed in 2004, consisting of your incumbent report and the Director's incumbent report. Both filers received a filing extension and filed before the extended deadline. Both reports were reviewed and certified timely, but they were not transmitted to OGE in a timely manner. OGE DAEOgram DO-05-009, dated April 13, 2005, states that DAEO reports filed in 2005 should be submitted to OGE as soon as approved by the agency, but by no later than August 1, 2005. We found both reports required to be filed in 2005 were filed, reviewed, certified, and transmitted to OGE in a timely manner. Consistently submitting these reports immediately after agency certification will enable OGE's review to be completed in a timely fashion, including obtaining answers to follow-up questions.

CONFIDENTIAL FINANCIAL DISCLOSURE SYSTEM

IMLS' confidential system also appears to be well managed and maintained. To evaluate the effectiveness of the confidential system, we examined all 11 reports required to be filed from 2004 through the end of our fieldwork, consisting of 9 annual and 2 new entrant reports. All reports were filed, reviewed, and certified in a timely manner.

EDUCATION AND TRAINING

The education and training program is generally compliant with the provisions of 5 C.F.R. part 2638. Moreover, certain aspects of IMLS' education and training program exceed the regulatory requirements.

Initial Ethics Orientation Program

The initial ethics orientation (IEO) program complies with the provisions of 5 C.F.R. § 2638.703. New employees receive their IEO materials on their first day of employment. The IMLS Human Resources Officer provides the written IEO materials, which consist of a letter from you, Executive Order 12731, the Standards, IMLS' supplemental standards, and a form used to certify receipt of the IEO materials. New employees receive a half hour more than the required minimum one hour to review the ethics materials. A Human Resources Officer signs and dates the certification form and forwards a copy to you.

Annual Ethics Training Program

IMLS' annual ethics training (AET) program complies with the provisions of 5 C.F.R. § 2638.704 and 2638.705. All employees of IMLS received AET in 2004. In-person AET was provided by the ethics staff in November 2004 and again in December 2004 for those who missed the first session. The AET included an ethics skit and an ethics game focusing on ethics considerations in a grant-making agency. A similar type of annual ethics training will be provided this year focusing on the special obligations of being a Federal employee.

Additional Ethics Training

Ethics officials conducted special issue ethics training covering the Hatch Act on June 7, 2004. They also regularly update staff on ethics issues and considerations at staff meetings. In addition, ethics officials provide post-employment briefings to all departing employees, which include covering all revolving door issues. We commend IMLS for exceeding the minimum regulatory requirements by providing this additional training (as well as by providing AET to non-covered employees).

COUNSELING AND ADVICE

Ethics counseling and advice appeared to be comprehensive and in compliance with the ethics laws and regulations. This conclusion was based on our examination of 20 pieces of written advice rendered from April 2004 through the end of our fieldwork. Topics covered in the sample included gifts from a foreign government, misuse of position, post-employment, outside activities, and seeking other employment.

ETHICS AGREEMENTS

IMLS appears to effectively create and manage ethics agreements. We found that IMLS' Director executed written ethics agreements in March and April 2005 whereby he disqualified himself from particular matters involving potential conflicts of interest. In addition, he asked his staff to serve as "gatekeepers" or screeners to ensure that he did not participate in matters from which he was disqualified. The written ethics agreements appeared to be consistent with relevant laws, regulations, and policies.

TRAVEL PAYMENTS FROM NON-FEDERAL SOURCES

Travel payments under 31 U.S.C. § 1353 appear to be accepted appropriately. We examined the two travel payments reported to OGE on the two semiannual reports covering April 1, 2004 through March 31, 2005, for attendance at a meeting and a conference. The payments appeared to comply with 31 U.S.C. § 1353.

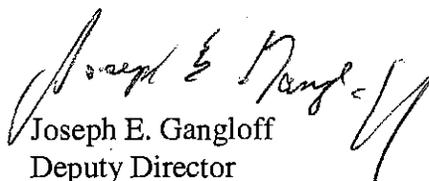
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ENFORCEMENT

You informed us that there have been no enforcement issues recently, and the Inspector General at the National Endowment for the Humanities is available to IMLS on an as needed basis. No alleged violations of the Standards or the criminal conflict of interest laws by IMLS employees have occurred within the last year. You are aware that OGE is to be concurrently notified of any referral to the Department of Justice of an alleged violation of the criminal laws.

In closing, we wish to thank you and your staff for your efforts on behalf of the ethics program. We are sending a copy of this report via transmittal letter to IMLS' Acting Director. Please contact Gina Noe Todorovich at 202-482-9316, if we may be of further assistance.

Sincerely,



Joseph E. Gangloff
Deputy Director
Office of Agency Programs

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