

ETHICS PROGRAM INSPECTION RESULTS			
Agency:	Federal Reserve System – Board of Governors		
Report No:	14-111	Date:	July 11, 2014
Review Period:	January-December 2013		

1.0 AGENCY DATA		
	EMPLOYEES	Data
1.1	Number of full-time agency employees, as reported in the most recent Annual Questionnaire	2,488
1.2	Number of agency SGEs, as reported in the most recent Annual Questionnaire	0
1.3	Number of PAS public financial disclosure reports required to be filed, as reported in the most recent Annual Questionnaire	9
1.4	Number of non-PAS public financial disclosure reports required to be filed, as reported in the most recent Annual Questionnaire	226
1.5	Number of confidential financial disclosure reports required to be filed by employees, as reported in the most recent Annual Questionnaire	768
	ETHICS PROGRAM	Data
1.6	Name of DAEO	Cary Williams
1.7	Title of DAEO	Asst. General Counsel
1.8	Grade level of DAEO	Officer
1.9	Name of ADAEO	Scott Alvarez
1.10	Title of ADAEO	General Counsel
1.11	Grade level of ADAEO	Officer
1.12	Name of the primary, day-to-day ethics program administrator	Valencia Chambers
1.13	Title of the primary, day-to-day ethics program administrator	Ethics Coordinator
1.14	Grade level of the primary, day-to-day ethics program administrator	FR 23
1.15	Current number of full-time ethics officials	3
1.16	Current number of part-time ethics officials	1
1.17	Average 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%.)	10%
1.18	Number of reporting levels between the ethics office/program and the agency head	1

2.0 LEADERSHIP			
	COMPLIANCE REQUIREMENT	Yes	No
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"/>
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"/>

3.0 ETHICS AGREEMENTS			
	COMPLIANCE REQUIREMENT	Yes	No
3.1	All officials currently in PAS positions have complied with their ethics agreements. <i>See</i> 5 C.F.R. § 2634.804.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3.2	All officials currently in PAS positions complied with their ethics agreements in a timely fashion. <i>See</i> 5 C.F.R. § 2634.804.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3.3	For all officials currently in PAS positions, the agency notified OGE of ethics agreement compliance in a timely fashion. <i>See</i> DO-09-015.	<input checked="" type="checkbox"/>	<input 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"/>
3.5	All PAS officials' 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"/>

4.0 PUBLIC FINANCIAL DISCLOSURE (OGE Form 278, OGE Form 278-T)				
COMPLIANCE REQUIREMENT			Yes	No
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"/>	
4.1.2	• Review/evaluation of public financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4.1.3	• Public availability of public financial disclosure reports	<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"/>
4.3	Public financial disclosure records are securely maintained. <i>See</i> OGE/GOVT-1.			<input checked="" 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"/>
4.5	Agency ethics officials respond promptly to requests by OGE for additional information regarding PAS annual and termination public financial disclosure reports. <i>See</i> 5 U.S.C app. IV, § 402(d)(1). <i>See</i> 5 C.F.R. § 2638.203(b)(14). <input type="checkbox"/> Not Applicable: see OGE comment section below			<input checked="" type="checkbox"/> <input type="checkbox"/>
DATA ANALYSIS			%	
4.6	Percentage of sampled non-PAS new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(b).			100%
4.7	Percentage of sampled non-PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).			100%
4.8	Percentage of sampled non-PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).			100%
4.9	Percentage of sampled non-PAS public financial disclosure reports certified within 60 days of receipt (unless additional information was being sought or remedial action was being taken). <i>See</i> PA-11-04.			100%
4.10	Percentage of sampled PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).			100%
4.11	Percentage of sampled PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).			100%
4.12	Percentage of sampled PAS annual and termination reports certified within 60 days of receipt (unless additional information was being sought or remedial action was being taken). <i>See</i> 5 C.F.R. § 2634.605(a).			100%

5.0 CONFIDENTIAL FINANCIAL DISCLOSURE				
COMPLIANCE REQUIREMENT			Yes	No
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"/>	
5.1.2	• Review/evaluation of confidential financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5.2	Confidential financial disclosure records financial disclosure records are securely maintained. <i>See</i> OGE/GOVT-2.			<input checked="" 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 checked="" type="checkbox"/> Not Applicable: see OGE comment section below			<input type="checkbox"/> <input 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"/>

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	DATA ANALYSIS	%
5.5	Percentage of sampled confidential new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(b).	93%
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 within 60 days of receipt (unless additional information was being sought or remedial action was being taken). <i>See</i> 5 C.F.R. §§ 2634.605(a), 2634.909(a).	100%

6.0 INITIAL ETHICS ORIENTATION			
	COMPLIANCE REQUIREMENT	Yes	No
6.1	All initial ethics orientation material contains: <i>See</i> 5 C.F.R. § 2638.703(a) and (b).		
6.1.1	<ul style="list-style-type: none"> Current contact information of relevant ethics official(s) 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6.1.2	<ul style="list-style-type: none"> 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"/>
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"/>
	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.	100%	

7.0 ANNUAL ETHICS TRAINING			
	COMPLIANCE REQUIREMENT	Yes	No
7.1	All annual ethics training material contains: <i>See</i> 5 C.F.R. § 2638.704(b).		
7.1.1	<ul style="list-style-type: none"> Current contact information of relevant ethics official(s) 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.1.2	<ul style="list-style-type: none"> Review of the criminal conflict of interest statutes 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.1.3	<ul style="list-style-type: none"> Review of the Standards of Ethical Conduct 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.1.4	<ul style="list-style-type: none"> Review of the 14 Principles 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.1.5	<ul style="list-style-type: none"> Review of any agency supplemental standards (<input checked="" type="checkbox"/> Not Applicable: see OGE comment section below) 	<input checked="" type="checkbox"/>	<input 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"/>
	DATA ANALYSIS	%	
7.3	Public financial disclosure filers who completed annual ethics training. <i>See</i> 5 C.F.R. § 2638.704(a).	100%	
7.4	Confidential financial disclosure filers who completed annual ethics training. <i>See</i> 5 C.F.R. § 2638.705(a)(3).	100%	

8.0 ETHICS ADVICE AND COUNSEL			
	COMPLIANCE REQUIREMENT	Yes	No
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 type="checkbox"/> Not Applicable: see OGE comment section below)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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COMMENTS

OGE Comments:

5.3 The Board does not have an alternative confidential financial disclosure system.

OGE identifies model practices and shares them when they may benefit other agencies. The following are model practices OGE noted the Board implemented to enhance its ethics program:

- Ethics officials give all new employees one hour of in-person ethics training during new employee orientation.
- A welcome message from the Board Chairman is part of the Board’s Ethics Handbook. The Handbook is given to new employees during initial ethics orientation to help underscore the importance of adhering to ethical principles.
- A video message from the Board Chairman strongly supporting the ethics program is posted on the Board’s intranet page.
- The Ethics office collects relevant documents such as training records, waivers, requests for approval of outside employment, and personalized ethics advice given to each filer and stores these items alongside the filers’ financial disclosure reports in secure individualized ethics files to enable the provision of meaningful review and advice for each filer.
- Ethics officials provide annual interactive online ethics training for all non-filers—as well as filers—through a program on its intranet site, which automatically tracks training completion.
- Ethics officials provide personalized one-on-one annual ethics training for every PAS official and provide personalized one-on-one post-employment ethics counseling for every departing employee subject to 18 U.S.C. 207(c).

Agency Comments:

Agency comments cited a number of model practices implemented within the agency’s ethics program. Some of those model practices have been incorporated into the model practices listed above. Others, which were not within the scope of OGE’s inspection by virtue of either subject matter or the period of time covered by the inspection, are provided here:

- The Ethics office created and maintains FDDTRACS, an advanced electronic program for tracking employees’ financial disclosure reports, annual and initial training completion, outside employment approvals, waivers, divestitures, and recusals.
- The Ethics office routinely circulates ‘Ethics Reminders’ for employees through the Board’s internal electronic newsletter, ‘Inside the Board,’ and archives these reminders by subject matter on the Ethics program intranet site for continuing use.