

UNITED STATES OFFICE OF  
GOVERNMENT ETHICS



November 5, 2015

David Maggi  
Chief, Ethics Law and Programs Division and  
Alternate Designated Agency Ethics Official  
U.S. Department of Commerce  
1401 Constitution Avenue N.W.  
Room 5898c  
Washington, DC 20230

Dear Mr. Maggi:

As a result of its review of the Department of Commerce (Commerce) ethics program, the United States Office of Government Ethics (OGE) issued 12 recommendations in its January 2015 review report. OGE recently conducted a follow-up review to assess whether Commerce has taken action sufficient to resolve the deficiencies underlying the recommendations. The results of the follow-up review are summarized below.

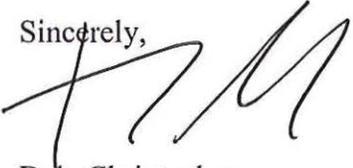
	Recommendation	Agency Action	Status
1	Recover the two missing public financial disclosure reports.	Commerce requested the missing reports from two former employees who agreed to provide copies for agency records. As of the follow-up review, neither employee had yet provided a copy due to significant household moves. Nonetheless, to improve document handling and mitigate future retention issues, Commerce has instituted a mandatory, two-party sign-out system for both removal and return of public reports.	Closed
2	Recover the two missing confidential financial disclosure reports.	Commerce recovered the two missing reports and provided them to OGE for verification.	Closed

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3	Take additional steps to improve the timeliness of the filing of new entrant and annual confidential reports.	<p>Commerce established designated contact points at each bureau to assist with the filing process, increased the number of filing reminders to annual filers and arranged computer lock-outs when reports are not filed.</p> <p>OGE reviewed a sample of new entrant and annual confidential financial disclosure reports filed in 2015. New entrant filing timeliness improved from 29% during the original review to 90% at the time of the follow-up review. Annual filing timeliness improved from 63% to 83%.</p>	Closed
4a	Assess the financial disclosure review process and improve certification timeliness for new entrant confidential filers.	<p>Commerce increased its emphasis on timely review and certification with expanded reminders to certifying officials.</p> <p>OGE reviewed a sample of new entrant confidential financial disclosure reports filed in 2015. Certification timeliness improved from 77% during the original review to 93% at the time of the follow-up review.</p>	Closed
4b	Assess the financial disclosure review process and improve certification timeliness for annual confidential filers.	<p>Despite the increased emphasis on timely certification and gains achieved in new entrant confidential report certification timeliness, Commerce did not achieve similar gains in certification timeliness for annual confidential filers.</p> <p>Certification timeliness fell from 83% to 60% in OGE's sample of annual confidential filers. OGE suggests Commerce consider other avenues to increase certification timeliness such as utilizing intermediate reviewing officials for confidential reports. This recommendation remains open.</p>	Open
5	Institute a sign-out system to better track and control confidential financial disclosure reports.	Commerce instituted a mandatory sign-out system with a physical sign-out log to track and control confidential financial disclosure reports. All 60 reports requested by OGE were properly accounted for.	Closed
6	Destroy public financial disclosure reports older than six years, unless needed for an ongoing investigation.	Commerce reported all reports that had reached the end of the retention period had been destroyed. OGE's review of Commerce public financial disclosure reports did not identify any reports held beyond the retention period.	Closed

7	Institute a system for the ethics office to confirm the completion of initial ethics orientation for all employees.	Commerce ethics officials coordinated with local bureau Workforce Management offices to ensure that Workforce Management personnel 1) receive notification of new employees, 2) track employees' attendance at initial ethics orientation and 3) report attendance data to ethics officials.	Closed
8	Include estimates of the number of employees expected to attend each of the types of training offered, including the numbers of employees expected to receive in-person training and written training into the 2015 training plan.	Commerce provided OGE with its 2015 annual ethics training plan which included an estimate of the number of employees who will receive ethics training.	Closed
9	Going forward, obtain confirmation that employees have reviewed written annual ethics training made available to them.	Commerce developed an ethics training form for employees to submit to ethics officials upon completion of written ethics training.	Closed
10	Expand the availability of verbal training to address instances when providing in-person training is administratively unfeasible.	Commerce piloted the use of video conferencing, telephone conferencing and live, computer-based training to expand the availability of verbal annual ethics training.	Closed
11	Coordinate with Commerce OIG to ensure OGE is concurrently notified of any referrals made to the Department of Justice involving alleged violations of the criminal conflict of interest statutes.	Commerce OIG established new procedures to ensure that OGE is concurrently notified of referrals made to the Department of Justice involving alleged violations of the criminal conflict of interest statutes. OGE was notified of the two referrals made in 2015.	Closed
12	Coordinate with Commerce OIG to identify any outstanding referrals for which OGE has not received notification and provide the appropriate notification under 5 C.F.R. § 2638.603.	Commerce OIG confirmed that there are no outstanding referrals for which OGE has not received notification.	Closed

Thank you for your assistance during the follow-up process. OGE will perform a second follow-up during 2016 to assess the status of the remaining open recommendation. We encourage you to contact your OGE Desk Officer for ethics program support.

Sincerely,  
  
Dale Christopher  
Deputy Director for Compliance