

ETHICS PROGRAM INSPECTION RESULTS			
Agency:	Federal Deposit Insurance Corporation		
Report No:	14-10I	Date:	July 9, 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	7,317
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	4
1.4	Number of non-PAS public financial disclosure reports required to be filed, as reported in the most recent Annual Questionnaire	149
1.5	Number of confidential financial disclosure reports required to be filed by employees, as reported in the most recent Annual Questionnaire	5,757
	ETHICS PROGRAM	Data
1.6	Name of DAEO	Robert Feldman
1.7	Title of DAEO	Executive Secretary and Ethics Counselor
1.8	Grade level of DAEO	CM-2
1.9	Name of ADAEO	Robert Fagan
1.10	Title of ADAEO	Ethics Program Manager
1.11	Grade level of ADAEO	CM-1
1.12	Name of the primary, day-to-day ethics program administrator	Robert Fagan
1.13	Title of the primary, day-to-day ethics program administrator	Ethics Program Manager
1.14	Grade level of the primary, day-to-day ethics program administrator	CM-1
1.15	Current number of full-time ethics officials	8
1.16	Current number of part-time ethics officials	91
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%.)	5%
1.18	Number of reporting levels between the ethics office/program and the agency head	3

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 type="checkbox"/> Not Applicable: see OGE comment section below)	<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 type="checkbox"/> Not Applicable: see OGE comment section below)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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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 type="checkbox"/> Not Applicable: see OGE comment section below)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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 type="checkbox"/> Not Applicable: see OGE comment section below)	<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 type="checkbox"/> Not Applicable: see OGE comment section below)	<input type="checkbox"/>	<input checked="" 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.			96
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).			Not Applicable
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"/>

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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"/> Not Applicable: see OGE comment section below)	<input checked="" 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"/>
DATA ANALYSIS		%	
5.5	Percentage of sampled confidential new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(b).	95	
5.6	Percentage of sampled confidential annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(a).	96	
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 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	

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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"/>

COMMENTS

OGE Comments:

(3.5) FDIC uses an E-filing system; therefore, ethics agreements are not kept with the financial disclosure reports.

(5.3) FDIC sought and was granted approval to implement alternative financial disclosure procedures in 1992. These procedures included the use of forms created by FDIC (FDIC Form 2410/06- Confidential Report of Indebtedness, and FDIC Form 2401/07- Confidential Report of Interest in FDIC-Insured Depository Institution Securities). FDIC subsequently amended the forms to reflect statutory changes and changes to FDIC Supplemental Ethics regulations. The amendments were formally approved by OGE during the inspection. No further action is required regarding this matter.

Model Practices:

- FDIC developed and implemented the National Employee Ethics Tracking System which tracks the filing of public and confidential financial disclosure reports and the completion of ethics training.
- FDIC ethics officials provide in-person initial ethics orientation.

FDIC Comments:

The inspection methodology was described as a streamlined process for onsite review designed to provide an evidence-based evaluation of the ethics program. The stated purpose of the inspection was to collect and assess ethics program compliance data, identify and mitigate program vulnerabilities, and encourage ongoing dialogue among ethics officials and with OGE desk officers, providing a basis for making recommendations for improvements where necessary.

The FDIC experience met this stated purpose. During the questionnaire stage, the program could demonstrate not only minimal compliance, but show how FDIC exceeded expectations through the use of our electronic disclosure system. During the actual inspection, we were able to showcase the level of expertise of our seasoned staff as well as the program's integration into the culture of the agency, from the Board of Directors to entry level staff. We were able to discuss our desire for greater agency interaction with OGE Desk Officers as well as OGE Senior Staff beyond inspections and reviews.

As a final part of the inspection FDIC was encouraged to add comments to the report. To that end, we would like to include in the final report some FDIC best practices.

The FDIC is staffed by a number of full-time seasoned ethics practitioners who have a number of years in ethics in a variety of programs. Ethics staff contribute their knowledge from experience at the White House, DOD, a variety of regulatory agencies and Cabinet level Departments. Combined, the exchange of ideas takes into accounts all situations and scenarios to address any possible situation/scenario that we may encounter. In this manner, we work as a team, sharing and exchanging ideas and reaching consensus when considering a situation or ethical question.

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COMMENTS

Continued FDIC Comments:

The NEETS II system allows for a fully electronic environment to disseminate, track, and manage required financial disclosure reports and to track ethics training. Employees are notified through the system of their assigned forms and the due dates for filing the forms. FDIC's human resources system feeds the NEETS II system with personnel information such as new hires, promotions, and terminations. The agency-built system also produces administrative reports that support tracking and oversight of the ethics program. Not only does it include the OGE Form 278, but the OGE 450, the OGE 278-T; the FDIC Form 2014 (used when a senior-level filer is negotiating for employment); as well as FDIC-unique forms as a part of our alternate filing system. It can generate reports and provide statistics in response to the required numbers as a part of the OGE annual ethics survey.