

## ETHICS PROGRAM INSPECTION REPORT

Agency: Defense Threat Reduction Agency

Report No.: 16-34I

Date: April 28, 2016

Period Covered by Review: January – December 2015

## UNITED STATES OFFICE OF GOVERNMENT ETHICS

Preventing Conflicts of Interest  
in the Executive Branch

1.0 AGENCY DATA		
<b>EMPLOYEES</b> (as reported in the most recent Annual Ethics Program Questionnaire)		
1.1	Number of full-time agency employees	1,572
1.2	Number of agency special Government employees	24
1.3	Number of Presidentially appointed, Senate-confirmed (PAS) public financial disclosure reports required to be filed	0
1.4	Number of non-PAS public financial disclosure reports required to be filed	17
1.5	Number of confidential financial disclosure reports required to be filed	776
<b>ETHICS PROGRAM</b>		
1.6	Title of Designated Agency Ethics Official (DAEO)	General Counsel
1.7	Grade level of DAEO	SES
1.8	Title of Alternate DAEO (ADAEO)	Associate General Counsel
1.9	Grade level of ADAEO	14
1.10	Title of the primary, day-to-day ethics program administrator	Associate General Counsel
1.11	Grade level of the primary, day-to-day ethics program administrator	14
1.12	Current number of full-time ethics officials	0
1.13	Current number of part-time ethics officials	2
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%.)	45%
1.15	Number of reporting levels between the DAEO and the agency head	1
<b>COMMENTS</b>		
<p><u>Comment:</u> (1.3) The Defense Threat Reduction Agency (DTRA) does not have Presidentially appointed, Senate-confirmed appointees. DTRA is led by a member of the Senior Executive Service who serves concurrently as the director of DTRA and the United States Strategic Command Center for Combating Weapons of Mass Destruction.</p>		

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"/>
<b>COMMENTS</b>						
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"/>

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3.3	During the period under review, the agency notified OGE of ethics agreement compliance in a timely fashion. <i>See DO-09-015.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 5 C.F.R. § 2634.804.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3.5	For all officials currently in PAS positions, ethics agreements are maintained with their financial disclosure reports. <i>See 5 C.F.R. § 2634.805.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>COMMENTS</b>				
<u>Comment:</u> (3.1 -3.5) DTRA does not have any Presidentially appointed, Senate–confirmed appointees.				

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 5 U.S.C. app. IV, § 402(d)(1).</i>						
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 checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4.3	Public financial disclosure reports are securely maintained. <i>See OGE/GOVT-1.</i>				<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 5 C.F.R. § 2634.603(g)(1).</i>				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>DATA ANALYSIS</b>				<b>%</b>			
4.5	Percentage of sampled non-PAS new entrant reports filed timely. <i>See 5 C.F.R. § 2634.201(b).</i>				100%		
4.6	Percentage of sampled non-PAS annual reports filed timely. <i>See 5 C.F.R. § 2634.201(a).</i>				100%		
4.7	Percentage of sampled non-PAS termination reports filed timely. <i>See 5 C.F.R. § 2634.201(e).</i>				100%		
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 PA-11-04.</i>				88%		
4.9	Percentage of sampled PAS annual reports filed timely. <i>See 5 C.F.R. § 2634.201(a).</i>				N/A		
4.10	Percentage of sampled PAS termination reports filed timely. <i>See 5 C.F.R. § 2634.201(e).</i>				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 5 C.F.R. § 2634.605(a).</i>				N/A		
<b>COMMENTS</b>							
<u>Comment:</u> (4.2) No reports were filed more than 30 days late in 2015. (4.9-4.11) DTRA does not have any Presidentially appointed, Senate–confirmed appointees.							

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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"/>
<b>DATA ANALYSIS</b>				<b>%</b>			
5.5	Percentage of sampled confidential new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(b).				53%		
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).				95%		
<b>COMMENTS</b>							
<p><u>Comment:</u> (5.3) DTRA does not have an alternative confidential financial disclosure system.</p> <p><u>Concern:</u> (5.5) Of the 19 new entrant confidential financial disclosure reports OGE examined, 9 were filed late. DTRA's Deputy Designated Agency Ethics Official (Deputy DAEO) acknowledged having difficulty timely identifying some new entrant filers. Within OGE's sample, current employees who became new entrant filers when they were assigned new duties triggering the filing requirement, as opposed to new employees hired into confidential filing positions, were not identified timely. OGE recommends that DTRA implement corrective action to ensure that new entrant confidential reports are filed timely. This corrective action may require increased coordination with the agency's Human Resources Office and supervisors. OGE will conduct a follow-up review to assess the effectiveness of the actions taken.</p>							

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"/>
<b>DATA ANALYSIS</b>				<b>%</b>			
6.3	Percentage of new agency employees who received initial ethics orientation within 90 days. <i>See</i> 5 C.F.R. § 2638.703.				Could Not Determine		
<b>COMMENTS</b>							
<p><u>Concern:</u> (6.3) While all new employees are required to attend in-person initial ethics orientation (IEO) within 90 days of entering on duty, the Deputy</p>							

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DAEO acknowledged during the inspection that the dates these employees actually received the training were not routinely tracked. However, since OGE's inspection, DTRA has developed procedures to ensure that training dates are tracked. OGE is not making a formal recommendation for improvement since there is reasonable assurance that everyone receives IEO within 90 days of entering on duty and DTRA has already taken steps to track IEO dates in the future.

7.0 ANNUAL ETHICS TRAINING							
COMPLIANCE REQUIREMENT				Yes	No	N/A	
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 checked="" type="checkbox"/>	<input 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"/>	<input type="checkbox"/>
<b>DATA ANALYSIS</b>				%			
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%		
<b>COMMENTS</b>							
None							

8.0 ETHICS ADVICE AND COUNSELING							
COMPLIANCE REQUIREMENT				Yes	No	N/A	
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"/>
<b>COMMENTS</b>							
None							

RECOMMENDATION(S)			
#	Element	RECOMMENDATION	Compliance Due
1	5.5	<p><b>RECOMMENDATION:</b> Implement corrective action to ensure that new entrant confidential reports are filed timely. This corrective action may require increased coordination with the agency's Human Resources Office and supervisors.</p> <p><b>AGENCY RESPONSE:</b> Thank you for the opportunity to provide comments on your report concerning the inspection of the Ethics Program at the Defense Threat Reduction Agency. It is our intention to inform all supervisors of the 30 day reporting requirement and the need to immediately notify our office when an employee enters a new position or is assigned new duties that require the filing of a financial disclosure report to ensure that requirement is met. It is also our intention to send periodic reminders to supervisors thereafter.</p>	October 2016