

U. S. OFFICE OF GOVERNMENT ETHICS



**Fiscal Year 2009
Explanatory Notes
and
Annual Performance Plan**

**Prepared
for the
Committee on Appropriations**

February 2008



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

February 4, 2008

The Honorable Robert Byrd
Chairman
Committee on Appropriations
U.S. Senate
The Capital, Room S-128
Washington, DC 20510-6025

The Honorable David R. Obey
Chairman
Committee on Appropriations
U.S. House of Representatives
The Capitol, Room H-218
Washington, DC 20515-6015

Dear Chairman Byrd and Chairman Obey:

I am pleased to transmit to you the Explanatory Notes and Annual Performance Plan of the Office of Government Ethics (OGE). The Explanatory Notes reflect funding for \$13,000,000, and 80 full-time equivalents, as set forth in the President's FY 2009 budget.

We will be pleased to discuss our request with representatives from your office. If you need additional information with regard to this request please contact Daniel D. Dunning, Deputy Director, Office of Administration and Information Resources Management, at 202-482-9203.

Sincerely,

/s/

Robert I. Cusick
Director

The Honorable Robert Byrd
The Honorable David R. Obey
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cc: (w/Encl.): The Honorable Richard J. Durbin
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The Honorable Sam Brownback
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The Honorable Robert Byrd
The Honorable David R. Obey
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OFFICE OF GOVERNMENT ETHICS
OBJECT CLASSIFICATION

in (000's)

	<u>2007</u> <u>Actuals</u>	<u>2008</u> <u>Appropriated</u>	<u>2009</u> <u>Request</u>
11.1 Salaries	\$6,763	\$7,430	\$8,404
12.1 Benefits	\$1,663	\$1,814	\$2,020
21.0 Travel & Transportation/persons	\$100	\$158	\$158
22.0 Transportation of things	\$8	\$5	\$5
23.1 Rental payments to GSA	\$1,328	\$1,341	\$1,351
23.3 Communications, utilities, misc	\$20	\$65	\$65
24.0 Printing and Reproduction	\$48	\$75	\$75
25.2 Other Services	\$823	\$695	\$725
26.0 Supplies and materials	\$108	\$75	\$75
31.0 Equipment	\$109	\$92	\$122
Other Categories/CONV	\$89	\$0	\$0
99.0 Subtotal	\$11,059	\$11,750	\$13,000
99.0 Reimbursable	<u>\$261</u>	<u>\$400</u>	<u>\$400</u>
99.9 Totals	\$11,320	\$12,150	\$13,400

RESOURCES BY OFFICE
(000's) rounded

OFFICE	2007 ACTUALS	2008 APPROPRIATED	2009 REQUESTED
	AMOUNT	AMOUNT	AMOUNT
DIRECTOR	\$373	\$425	\$475
GENERAL COUNSEL & LEGAL POLICY	\$2,620	\$2,825	\$3,200
ADMINISTRATION & INFORMATION MANAGEMENT	\$2,983	\$3,080	\$3,325
AGENCY PROGRAMS	\$4,555	\$4,800	\$5,340
INTERNATIONAL ASSISTANCE & GOVERNANCE INITIATIVES	\$528	\$620	\$660
Totals	\$11,059	\$11,750	\$13,000
Reimbursable Obligations (ANNUAL ETHICS CONFERENCE)	\$261	\$400	\$400
Total	\$11,320	\$12,150	\$13,400
FTE	71	80	80

FY 2009 Explanatory Notes and Performance Plan

Introduction

Public confidence in the integrity of Government is one of the keys to the success of our democratic system. The mission of the Office of Government Ethics (OGE) is directly linked to strengthening that confidence by fostering high ethical standards for executive branch employees and by ensuring that the Government's business is conducted with impartiality and integrity.

OGE's budget request for FY 2009 of \$13,000,000 will allow it to fulfill its role during a critical period for our Government: assisting the smooth transition to a new Presidential Administration. This period traditionally is one of peak activity for OGE. During this time, OGE focuses its efforts on helping to review the incoming Administration's nominees for conflicts of interest, advising new and outgoing employees of their ethics obligations, and training ethics officials in executive branch agencies on the skills they will need to meet their responsibilities.

Highlights for FY 2007

FY 2007 was the first year of OGE's new five-year Strategic Plan. Last year's budget document outlined how OGE would meet those new objectives during the first two years of that Plan. OGE announced that it would undertake initiatives to support three main priorities in FY 2007 and FY 2008, and OGE made substantial progress during FY 2007 in all three areas:

- *Assisting in the transition to a new Administration.* OGE created a comprehensive transition plan listing the guidance documents, regulations, training and other materials it would produce during FY 2007 and 2008 to assist ethics officials with their preparations for the upcoming transition. OGE then began to meet those objectives, for example, by issuing memoranda for ethics officials and drafting or revising several pamphlets for Federal employees. OGE also worked on materials it will provide to ethics officials in FY 2008 to help them with the anticipated

surge in nominee financial disclosure reports during the Presidential transition, and met with a focus group of ethics officials to determine what they viewed their needs to be in preparing for the transition. In addition, OGE completed draft revised rules on blind trusts and submitted them to the Department of Justice (DOJ) and the Office of Personnel Management (OPM) for review.

- *Addressing emerging ethics issues as they arise.* OGE has focused on the ethics issues associated with contractors in the Federal workplace. A number of media reports in FY 2007 noted questions about contractor conflicts of interest in certain Federal programs, and many of these programs also attracted Congressional attention. OGE continued to seek opportunities to raise awareness about these concerns, through presentations to outside organizations such as the Defense Industry Initiative conference and an ABA Public Contracts section meeting, and by other means such as coordinating with the Office of Management and Budget's (OMB) Office of Federal Procurement Policy and the Government Accountability Office regarding their work on related issues.
- *Using technology to improve the delivery of ethics services, information, and materials.* OGE sought new ways to use technology to deliver ethics training and information to Federal employees and ethics officials in FY 2007. OGE released a series of online training courses on topics ranging from working with contractors to a tutorial on the ethics rules that apply to special Government employees. It also partnered with another Federal agency to present web-based training that allowed OGE to train ethics officials at multiple locations simultaneously. In addition, OGE worked with several agencies that are developing their own electronic financial disclosure process to ensure the legal sufficiency of the forms and instructions.

The successful planning and delivery of the 15th National Government Ethics Conference (National Conference) was another significant undertaking for OGE in FY 2007. The conference's agenda provided a major opportunity to address OGE's priorities. The National Conference was comprised of workshops organized into six themed tracks,

with one track devoted to emerging issues. The track included several workshops on contractor ethics issues. Another track focused on preparing for the next transition and offered sessions on topics such as reviewing nominee financial disclosure reports and what ethics officials need to know about the transition process. At the National Conference, OGE's Director introduced a Leadership Initiative to the ethics community. This effort was initiated in FY 2007 to engage the leadership of Federal departments and agencies in developing and supporting an ethical culture in the executive branch.

Finally, in FY 2007, OGE played an important role in the United States' anti-corruption foreign policy initiatives, many of which focused on the prevention of corruption. OGE has internationally recognized experience in designing ethics programs that complement other government systems. Accordingly, OGE was asked by the Department of State to provide significant assistance in the development of programs and policies related to good governance, including various working groups and task forces of the Asia Pacific Economic Cooperation and the U.S.-China Joint Liaison Group, and in the development of a review mechanism for implementation of the UN Convention Against Corruption. These efforts not only enhanced foreign policy goals, but also highlighted the United States' commitment to an ethical public workforce.

Priorities for FY 2008 and FY 2009

OGE's priorities for FY 2008 and FY 2009 are described in detail in the FY 2009 performance plan set out below. They reflect the upcoming two years of activities that will move OGE toward achieving the goals in the second and third years of its five-year strategic plan. These goals are: (1) strengthening the ethical culture within the executive branch, (2) preventing conflicts of interest, and (3) promoting good governance. Under the Director's leadership, OGE plans to undertake a variety of initiatives to support the following three key priorities in FY 2008 and FY 2009:

- *Assisting in the transition to a new Administration.* This will be OGE's primary focus during this timeframe. OGE plans to complete the actions contained in its comprehensive transition plan in

FY 2008 and early FY 2009, to prepare itself and ethics officials in the executive branch agencies to handle the anticipated surge in public and confidential financial disclosure reports during the transition as well as the ethics issues faced by outgoing and incoming Administration officials. OGE intends to finalize new rules such as those on post-employment restrictions and blind trusts, issue additional guidance for ethics officials on key topics, and provide training for reviewers of nominee reports. A Washington D.C. regional conference on financial disclosure, scheduled for early FY 2008, and OGE's 16th National Government Ethics Conference, to be held at the end of FY 2008, will provide ethics officials with much-needed advice in advance of the transition.

- *Engaging agency leadership in developing and supporting an ethical culture.* OGE will continue its efforts to meet with agency leaders to raise awareness of the importance and needs of agency ethics programs. OGE will also use its program reviews to identify model practices for use by other agencies, and to identify how agency leaders can support their ethics officials in moving beyond a program of basic compliance with ethics requirements. OGE will also develop a training program on ethical leadership specifically for agency leaders and will prepare ethics materials for the many new appointees who enter the Government as part of the incoming Administration in FY 2009.
- *Using technology to improve the delivery of ethics services, information, and materials.* If resources permit, OGE plans to increase its use of technology to deliver training to ethics officials through such means as web-based seminars, CD-ROMs, and videos in FY 2009. Although these mechanisms will never replace face-to-face training, they will allow OGE to reach a wider audience in a cost-effective manner, particularly during a period in which many new ethics officials will come on board as part of the new Administration.

FY 2009 Budget Request Overview

OGE's total budget request for FY 2009 is \$13,000,000. This funding level will allow OGE to add needed staff for the upcoming Presidential transition, a critical period for OGE during which its workload will be substantially increased. OGE's request will permit it to handle the expected surge in nominee financial disclosure reports filed by the incoming President's nominees for high-level positions requiring Senate confirmation. It also will enable OGE to provide the necessary training and guidance for new and experienced ethics officials so that they will be able to handle the ethics issues that arise during the transition period.

FY 2007 Results

Strategic Goal One: Strengthening Ethical Culture Within the Executive Branch

Objective 1.1: Improving the Effectiveness of Ethics Policy

In FY 2007, OGE began to prepare for the Presidential transition that will take place in FY 2008 and FY 2009. As an initial step, OGE developed a comprehensive plan for identifying and updating guidance relevant to the transition, including guidance for officials leaving the current Administration. OGE's first new policy memorandum in support of this goal addressed the issue of whether, and under what circumstances, an executive branch employee may assist someone in seeking a job in the private sector. During FY 2007, OGE also began the process of training its newer employees on topics that are particularly relevant to the transition, such as the rules applicable to seeking employment and post-employment activities and financial disclosure.

As part of OGE's effort to continually review and update policy guidance for ethics officials, OGE published a number of comprehensive memoranda providing advice on key questions. These memoranda, which are provided to agency ethics officials and are available to the public on OGE's website, discussed issues such as the ethics rules that apply to detailees under the Intergovernmental Personnel Act, gifts of admission to events, and Government employees asked to serve as expert witnesses. The memoranda also provided guidance on issuing conflict of interest waivers to employees, counting days of service for special Government employees, and determining what is a "matter" for purposes of the ethics rules. In FY 2007, 93 percent of ethics officials surveyed said that OGE policy guidance was useful.

One of the emerging issues in which OGE has been active is the area of contractor ethics. Because an increasing number of contractor employees are assigned to work in Federal buildings alongside Federal employees, ethics issues that arise from working in such close proximity continue to raise concerns. In January 2007, the Acquisition Advisory Panel released its final report on Federal contracting to the OMB and Congress. The report adopted several recommendations by OGE regarding the need

for executive branchwide ethics rules on contractors in the Federal workplace.

In a related development, OGE submitted comments on proposed rules prepared by the Federal Acquisition Regulatory Council that would establish certain ethics requirements for Federal contractor employees. OGE also advised the Government Accountability Office (GAO) on its inquiry into ethics issues involving contractors in the Department of Defense. In addition, OGE launched an online training course specifically for contractor employees. The course is designed to inform contractors about the rules that apply to Government employees and to alert contractor employees to avoid conduct that might trigger an inadvertent ethics violation.

Another emerging ethics issue addressed by OGE in FY 2007 was the impact of alternative pay systems on financial disclosure requirements. OGE previously had conducted a survey of agencies that have implemented non-standard pay systems (e.g., other than the GS or SES systems) to determine how the agencies were deciding who was required to file a public financial disclosure report. OGE determined that, generally, agencies were adequately addressing financial disclosure, and OGE issued advice to assist those agencies who were still dealing with the issue. OGE exceeded its FY 2007 goal for the percentage of ethics officials who rate OGE as responsive to emerging ethics program issues.

In addition, since January 2007, Congress has considered several pieces of legislation affecting Government ethics laws. OGE has closely tracked the development of these proposals and has provided technical assistance regarding the impact of these proposals on the existing executive branch program. OGE also has responded to Congressional and OMB requests for comment on draft bills, legislation, bill reports and testimony. Specifically, OGE timely completed 169 OMB requests for review and comment in FY 2007 with OGE's comments on direct ethics issues incorporated 97 percent of the time. This represents a 48 percent increase in the number of requests for review over FY 2006 (114) and a 31 percent increase over FY 2005 (129). The percentage of OGE's comments incorporated on direct ethics issues also increased from 89 percent in FY 2005 and FY 2006 to 97 percent in FY 2007.

Objective 1.2: Enhance Assistance to and Oversight of Agency Ethics Programs

In March 2007 OGE hosted its National Conference, providing a major opportunity to address OGE's priorities. Almost 600 ethics officials from 85 agencies or components of executive branch departments located at headquarters and regional offices, participated in the three-and-a-half day conference. In addition, representatives from the Inspector General (IG) community and civil society organizations participated. National Conference participants attended workshops organized into six themed tracks, including tracks devoted to leadership, emerging issues, and preparation for the Presidential transition following the general election in November 2008.

For the first time, all conference materials were available in electronic format and distributed to participants on flash drives, thus enabling participants to refer easily to the information after the conference and providing an archive for future course development.

At the National Conference OGE launched two initiatives, both developed by OGE in FY 2007. The "Leadership Initiative" focused on the critical role of high-level agency leadership in promoting an ethical culture. The "Compliance Plus" initiative focused on ensuring integrity in Government decision making processes and the overall fostering of public confidence in Government. Under "Compliance Plus" an ethical culture is created by emphasizing the need for agencies to maintain effective ethics programs by establishing and meeting goals beyond minimum compliance with statutory and regulatory requirements. The initiatives were created as a result of close coordination with the ethics community. OGE's Director introduced the Leadership Initiative in the conference's keynote address.

Because leadership support is a critical component of a successful agency ethics program, OGE is committed to raising the level of discourse between the leadership of executive branch agencies and the ethics community. As part of the Leadership Initiative, OGE developed and provided to agencies suggestions for concrete actions that can be implemented at the leadership level to enhance agency ethics programs.

The Compliance Plus approach enhances OGE's program review process by emphasizing the goal of identifying and sharing model practices. Model practices serve to improve the processes and systems necessary to achieve compliance requirements, thus freeing up ethics program resources. Model practices assist ethics officials in setting comprehensive performance targets for their programs. As emphasized under "Compliance Plus," an ethics program that strives only to meet the basic requirements is missing an opportunity to more fully advance agencies overall ethical culture. The approach also encourages cooperative work among ethics offices to establish benchmarks over time to facilitate program assessments.

OGE took additional steps to leverage the resources of the ethics community. First, OGE convened various focus groups to discuss its Leadership Initiative and to promote wider access to and use of training products that received awards at the National Conference. Second, OGE instituted lunch-time forums to focus on the emerging issue of the upcoming transition and enhance program management. Third, OGE continued to forge a stronger relationship with regional ethics officials and the IG community by including topics of interest to them in the conference agenda.

OGE also focused on Presidential transition issues as part of its efforts to enhance assistance to agency ethics officials in FY 2007. For example, OGE offered a presentation at its National Conference on book deals by executive branch officials. OGE expects to issue written guidance on this topic in FY 2008. In FY 2007, OGE also began training additional staff to review financial disclosure reports. This action was taken in anticipation of a significant surge in the volume of reports filed by Presidential nominees for positions requiring Senate confirmation during the Presidential transition following the general election in November 2008. The National Conference also included an OGE presentation urging executive branch agencies to begin preparations for this upcoming Presidential transition by training additional reviewers of financial disclosures.

OGE worked on several issues in connection with tax matters related to ethics programs. In order to assist executive branch agencies in requesting Certificates of Divestiture (which allow employees to defer capital gains taxes on assets they are required to divest), OGE issued a

DAEOgram describing the processing of such requests and developed a draft recommended format for requests. OGE provided technical advice to officials from the Supreme Court and the Administrative Office of the United States Courts regarding draft rules they had created to implement a newly authorized judicial branch program for Certificates of Divestiture. OGE also worked with officials of the Internal Revenue Service (IRS) to develop IRS regulations regarding the tax treatment of accelerated payments under deferred compensation plans pursuant to 26 U.S.C. § 409A, when such payments are accelerated as a means of complying with Governmental ethics requirements.

In FY 2007, OGE also continued to provide strong liaison services to ethics officials in executive branch departments and agencies through the OGE desk officer program and the random call desk. Desk officers delivered timely, accurate, and consistent guidance to executive branch ethics officials on a wide range of ethics issues, from answering questions about conflicts of interest and other ethics rules to identifying model practices and programs in other agencies and offering suggestions for improving program operations. In addition, numerous complex legal and policy questions were answered by OGE attorneys. OGE also continued its efforts to enhance individual agency programs and the ethics community as a whole through its identification, development and dissemination of model practices.

OGE provided quality ethics education and training to over one thousand agency ethics officials in FY 2007, in addition to the training provided during the National Conference. To measure the effectiveness of the training, OGE administered an assessment tool during the training. The results: 100 percent of responding ethics officials indicated that their knowledge of, and ability to apply, ethics laws and rules increased as a result of the training they received. Using feedback provided by ethics officials who attended OGE training and from the instructors, as well as observations made by the instructional designers, OGE revised certain courses to ensure that they are up-to-date and effective. To further ensure the accuracy and quality of its products, OGE expanded the formal internal review and approval process for course materials. OGE also developed numerous job aids -- e.g., flow charts, timelines, and summaries -- to help ethics officials perform their jobs. Copies of these job aids were

distributed to ethics officials either as part of ethics training or upon request.

In FY 2007, OGE launched a new award program to recognize agency educational achievements, and invited ethics officials to submit their best training products. OGE selected the 10 most effective agency ethics training programs, from more than 60 entries, and met with representatives of the agencies that developed the products to discuss how to leverage the programs for use by all executive branch agencies.

OGE conducted onsite reviews of 24 ethics programs at executive branch departments and agencies in order to: (1) identify and report on strengths and weaknesses of the programs; (2) make specific recommendations for program enhancements; (3) provide technical assistance to agencies; (4) identify and share model practices; (5) provide guidance on correcting deficiencies and implementing specific recommendations and suggestions; and (6) promote the goal of reaching beyond mere compliance with regulatory standards. OGE's program reviews continued to emphasize the importance of having written procedures for following up with delinquent financial disclosure filers. OGE also conducted six-month follow-up reviews to address recommendations and suggestions made in its reports. Through discussions with ethics officials and examination of relevant documentation, OGE determines whether appropriate practices and procedures are in place to provide reasonable assurances that the identified program weaknesses are appropriately addressed.

OGE completed a special project at the Federal Emergency Management Agency (FEMA) providing the Department of Homeland Security, FEMA and OGE leadership with suggestions to enhance the overall effectiveness of the FEMA ethics program. The project arose from FEMA's interest in working informally with OGE to examine and improve its program outside the structure of routine onsite review.

OGE administered surveys to evaluate agency ethics programs and establish baseline data for OGE's FY 2007-2011 strategic plan. OGE developed and used a newly designed survey -- administered to ethics officials throughout the approximately 130 departments and agencies of the executive branch -- to assess the effectiveness of the services and support provided by OGE and to help establish benchmarks

for performance measures defined in the strategic plan. OGE also administered surveys to measure employees' perceptions of their agencies' ethical culture and ethics program.

Objective 1.3: Increase Employee Awareness of Their Ethics Responsibilities

OGE finalized improvements to the confidential financial disclosure reporting system in FY 2007. OGE issued a new reporting form to be used by approximately 300,000 employees. The form was designed to be completed electronically, although paper submission is still required. OGE implemented changes in the system that included a new reporting date (February 15) and a new reporting period (calendar year), as well as streamlined reporting requirements. OGE launched an online training course for confidential filers to acquaint them with the new reporting requirements and form, and provided a set of Frequently Asked Questions (FAQs) that confidential filers can access through the OGE website. OGE has received strong positive feedback from ethics officials on the improvements in this form. The FAQs were also one of the website's most frequently viewed sections.

As exemplified by the training materials related to financial disclosure, OGE plays an important role in preparing training materials that can either be used by agencies as issued or modified for agency-specific needs. While individual departments and agencies prepare much of the training information distributed to their staffs, OGE-produced materials reduce the time and resources that agencies would otherwise have to spend in producing their own training. For example, in support of OGE's efforts to emphasize ethics issues that result from the Government's increasing use of contractors, OGE issued: (1) a brochure that outlines ethics rules for Government employees who are primarily involved in contracting and procurement activities, and (2) an online training course for Government employees who work with contractors on a frequent basis. OGE launched another online course that explains how the ethics rules apply to special Government employees (SGEs) (i.e., temporary or intermittent employees who work for 130 days or less). This course is expected to be particularly useful to members of Federal advisory committees.

OGE expanded its use of low-cost technology to deliver ethics training and information to Federal employees and ethics officials in FY 2007. Many of its training products are available on its website. Here are some creative ways OGE presented ethics information in FY 2007, in addition to the web-based courses described above:

- OGE successfully partnered with the Environmental Protection Agency to conduct OGE's first live, online, interactive training. The training was broadcast to 25 ethics officials at 4 separate sites. Because EPA funded the program, the broadcast focused exclusively on the needs of EPA staff. The project provided a solid framework for OGE's future development and delivery of live, online, inter-active, and cost-effective training programs.
- OGE developed comic strip-style posters, *Ethics Guardian*, which can be used to educate employees on ethics rules and regulations. The posters are available to agencies in an electronic format that allows customization of information about agency ethics contact points. In response to requests from ethics officials, OGE provided over 350 customized versions of the posters to representatives from more than 65 agency components. OGE continues to receive requests for customized versions.
- OGE began to develop a series of instructor-led courses for employee ethics training. The course materials consist of instructor and participant guides and an evaluation instrument. OGE distributes the courses via email in response to agency requests. Over 150 ethics officials have requested and received the first course, "Initial Ethics Orientation." Other courses in the series will be released in FY 2008.
- OGE developed a series of online ethics crossword puzzles which focused on topics including: Misuse of Position, Outside Activities, and Gifts. Agencies have downloaded the crossword puzzles from OGE's website and have begun to create their own.

Objective 1.4: Increase OGE's Focus on Senior Officials' Roles in Implementing Ethics Program

OGE's Director introduced the Leadership Initiative to the broader ethics community at the National Conference. The initiative provides agency leaders with suggestions for concrete actions that they can implement to fulfill their ethics responsibilities. Leadership support is a critical component of a successful agency ethics program. OGE is committed to raising the level of discourse between the leadership of executive branch agencies and the ethics community. To achieve this goal, OGE consulted with several sources to identify specific steps that agency leaders could institute to promote an ethical culture, and to support an agency's ethics program. OGE worked closely with the Department of the Interior, which developed a comprehensive program to ensure compliance with regulatory requirements and to underscore their Secretary's commitment to establishing an ethical culture throughout the Department.

The theme was further reinforced by the Secretary of the Department of the Interior, who was a keynote speaker at OGE's National Conference. The leadership theme also was interwoven into all of the presentation streams of the conference. The Leadership Initiative continued after the conference with a series of working groups of ethics officials to discuss strategies to engage agency leadership and implement effective leadership actions.

OGE instituted a practice of inviting agency leadership to meet with OGE's leadership in connection with ethics program reviews. In addition to promoting the importance of the ethics program, this practice serves to help ensure personal commitment to the program by agency leadership as well as to define and allocate sufficient agency resources for the program. OGE'S Director met with several high-level agency leaders, including the Secretaries or other top officials of cabinet-level and other executive branch agencies that were scheduled for onsite reviews in FY 2007: the Department of Agriculture, the Department of Education, the Department of the Interior, the Federal Trade Commission and the Pension Benefits Guaranty Corporation. As a result, several agencies have implemented or are developing plans to improve their ethics programs. These improvements include

ensuring the ethics programs are optimally located within the organizational hierarchy to most effectively carry out agency ethics responsibilities. Restructuring of the ethics program has resulted in a direct reflection of commitment of the organizations leadership to the ethics program objectives.

Strategic Goal Two: Preventing Conflicts of Interest

Objective 2.1: Enhance Assistance to the President and Congress in the Presidential Appointment Process

In preparation for the Presidential transition, OGE began assessing the training needs of individual agencies on the review of public financial disclosure reports. In the course of reviewing nominee reports in FY 2007, OGE scrutinized the work of agency ethics officials and met internally to discuss the issues that were arising in the course of these reviews. Also, OGE's financial disclosure team and program reviewers met to discuss specific issues with agency programs in connection with the review of financial disclosure reports. Based on this assessment, OGE will continue in FY 2008 to provide agency reviewers with guidance and instruction that will improve their review of public financial disclosure reports.

During FY 2007, OGE reviewed and certified 252 financial disclosure reports submitted by nominees to positions requiring Senate confirmation. In addition, OGE worked more closely with ethics officials to provide guidance on ethics agreements for nominees to resolve the nominees' potential conflicts of interest. Heightened scrutiny of the quality of these ethics agreements increased the emphasis on resolving conflicts prospectively. In order to build the skills of agency ethics officials, OGE contacted agency ethics officials directly to explain and negotiate changes to their nominees' ethics agreements. In FY 2007, 98 percent of filers complied with their ethics agreements within the required time frame.

OGE also has developed draft written guidance on ethics agreements as a supplement to OGE's financial disclosure guidance manual, *Financial Disclosure: A Reviewer's Reference*. OGE will issue a final version of this guidance in FY 2008.

In addition, several presentations at OGE's National Conference addressed both technical disclosure issues and substantive conflicts issues related to nominee financial disclosure. OGE also conducted training for new financial disclosure reviewers in Washington, DC.

In OGE's FY 2008 budget request, OGE indicated that it intended to convert its *Financial Disclosure: A Reviewer's Reference* to a primarily electronic format so that it could be timely updated to respond to emerging trends in financial arrangements. The guide is currently available on OGE's website in HTML and PDF versions. OGE had planned in FY 2007 to convert this document to a new format that would be easier to update. However, OGE lacked the financial resources to accomplish the technological steps necessary to complete this task.

OGE submitted a proposed regulation on qualified blind trusts and qualified diversified trusts to DOJ and OPM for review. This proposed regulation revises existing regulations in order to clarify the process for establishing such trust instruments. OGE had hoped to issue the proposed regulation in FY 2007, but a staffing shortage in 2007 delayed its issuance. After the review process is completed, OGE will adopt a final regulation on its trust program before the beginning of the Presidential transition.

In FY 2007, OMB informed OGE that its request to undertake an OMB-sanctioned e-Gov Initiative for the development of an electronic system for financial disclosure reports in the executive branch would not be approved. OGE considered the possibility of attempting to manage an informal non-OMB sanctioned e-Gov Initiative, but rejected that approach because OGE has neither the finances nor staff resources to oversee such a challenging effort of a strictly voluntary nature without definite funding sources. Alternatively, OGE decided to allow each agency to undertake its own development of an electronic filing process to use with either the public (Standard Form (SF) 278) or confidential (OGE Form 450) reporting system.

Even though each department or agency will decide its own progression into the electronic filing arena, the integrity of financial disclosure processes will continue to be one of OGE's highest priorities. Accordingly, OGE

will take the following steps: (1) continue to monitor the executive branch's movement into this area by requesting basic information on future surveys; (2) be a member of the "Electronic Filing Workgroup" formed late in FY 2007 to promote the development and advancement of executive branchwide electronic financial disclosure report filing; and (3) oversee agency electronic filing efforts as part of its Program Review Division's future reviews of agency ethics programs.

Accordingly, OGE provided assistance to executive branch agencies that are developing electronic financial disclosure systems. OGE communicated with agencies regarding plans and requirements for such systems in a DAEOgram, at a special meeting of Designated Agency Ethics Officials, and at OGE's National Conference. OGE's staff provided feedback to the Army, the Federal Deposit Insurance Corporation, and the Federal Aviation Administration regarding electronic filing formats they had developed. OGE also provided evaluations of the legal sufficiency of frequently asked questions and screen instructions that the Army had developed in connection with its electronic filing system.

Objective 2.2: Monitor Continued Compliance With Conflict of Interest Laws

In FY 2007, OGE continued to identify and address executive branch compliance with annual financial disclosure report requirements and ethics agreements. During the fiscal year, over 900 Presidentially appointed, Senate confirmed (PAS) SF 278 annual and termination reports were filed with OGE for its final review and certification. During this process, OGE worked with agencies to ensure that the reports were technically accurate and conflict free. In addition, OGE strengthened its monitoring system to ensure that reports are filed as quickly as possible. As a result, OGE experienced an 8 percent increase in reports that did not require a filing extension. OGE also analyzed the quality of the reviews performed at the agency level. This analysis will serve as the focus of a targeted program review in FY 2008.

OGE also continued its monitoring of ethics agreements of PAS officials. During this fiscal year, OGE monitored a total of 212 agreements made by 127 PAS officials. Because

of OGE's strict follow-up procedures, 98 percent of all required actions were completed within the standard initial period of 90 days.

In FY 2007, OGE program reviewers routinely emphasized the importance of notifying public filers once their reports had been reviewed and certified. In those cases where reports had not been certified or were certified late due to filing errors or inconsistencies, OGE program reviewers ensured that agency officials were making efforts to collect or correct the information that was delaying certification.

In addition, OGE's reviews of agency ethics programs identified and reported on systemic weaknesses that led to the late submission and review of annual and termination public financial disclosure reports. OGE has recommended a variety of strategies that agencies could use to correct these weaknesses, including: utilizing human resources officials to ensure that the ethics office is timely notified of incoming, incumbent, and departing filers; including the filing requirement in filers' position descriptions; and foregoing raises or promotions for those employees who are delinquent in filing.

IGs provide critical support to the enforcement of ethics laws and rules, as they usually conduct the primary investigations of alleged violations. Therefore, OGE seeks opportunities to strengthen the relationship between IGs and the ethics community and to help IGs understand the application of the ethics requirements. For example, OGE provided IGs with training on the review of public financial disclosure reports and provided a briefing on the OGE program review process. In addition, OGE staff consulted regularly with IG offices to advise them on ongoing investigations.

Objective 2.3: Administer an Effective Confidential Financial Disclosure System

OGE made improvements to the confidential financial disclosure process through the issuance of new rules and a new form that streamlines the reporting requirements. In addition, OGE continued to encourage and approve the use of alternative confidential financial disclosure procedures to permit agencies to obtain information about specific kinds

of financial interests that can present conflicts for their employees. In FY 2007, OGE approved the use of alternative confidential financial disclosure procedures for the Department of the Army, the Department of Justice, the Defense Science Board, the Inter-American Foundation, the President's Foreign Intelligence Advisory Board, and the Office of Thrift Supervision. Finally, during the course of its onsite evaluations of agency ethics programs, OGE ensured that previously approved alternative procedures were being administered in compliance with the plan approved by OGE.

Strategic Goal Three: Promoting Good Governance

Objective 3.1 Increase OGE's Support of and Cooperation With Federal, State and Local Agencies Implementing Programs That Help Support Good Governance

In FY 2007 OGE engaged in a number of activities with Federal, State and local agencies that promote integrity, accountability, and transparency in Government. At the Federal level, OGE's Director maintained consistent communication with the IG community through regular attendance at the President's Council on Integrity and Efficiency's (PCIE) and the Executive Council on Integrity and Efficiency's (ECIE) monthly meetings. The Director continued to serve on the PCIE Integrity Committee and was a featured speaker at the 2007 PCIE/ECIE Conference.

OGE also maintained a consistent presence at the Federal Interagency Ethics Council, an informal group of executive branch ethics officials who meet monthly to share model practices and practical information. In support of the substantial number of federal advisory committees, OGE staff participated in a multi-day curriculum development exercise held by the General Services Administration to improve training for Federal Advisory Committee management officers in Departments and agencies.

At the State and local level, OGE continued to be an active member of the Council on Governmental Ethics Laws (COGEL), an organization of Federal, State and local government agencies primarily from the United States and Canada that, in part, are responsible for Government ethics and access to information programs. In FY 2007, OGE received requests for information from several COGEL member

organizations including the ethics offices in New York City and the State of Illinois. OGE made its own requests of COGEL members for practical information on topics of mutual interest such as the ethics issues associated with the increasing number of contractor employees in the Government workforce. OGE staff participated in both COGEL Conferences that were, for scheduling reasons, held during the same fiscal year.

Throughout FY 2007, OGE coordinated extensively with Federal, State and local government agencies in conjunction with U.S. obligations under international anti-corruption conventions and mutual evaluation mechanisms. OGE took the lead in gathering specific information on the laws, regulations and policies for the programs of these agencies that support anti-corruption efforts. Moreover, OGE used the anti-corruption conventions and evaluation mechanisms as platforms for discussions of specific internationally recognized good governance and integrity issues. OGE worked cooperatively with Federal agencies to implement or report on implementation of recommendations made specifically to the United States through these evaluations.

OGE engaged in programs and projects with more Federal, State and local agencies than projected for FY 2007. Although it was difficult to obtain written, qualitative feedback, these agencies indicated, in discussions with OGE, that they found their interactions with OGE to be useful.

Objective 3.2: Enhance Outreach to the Public and Private Sector and Civil Society

OGE continued to serve the public effectively by providing timely and thorough responses to public requests for information relating to public financial disclosure reports and the semi-annual reports of travel payments accepted from non-Federal sources, as well as queries from the general public handled through its call desk system. To enhance general public access to information about the agency and the executive branch ethics program, OGE also continued to work with the Government Printing Office to refine OGE's website design and to modernize the features of the site.

The Director and other members of the staff made numerous presentations in FY 2007 to private sector and civil society organizations whose understanding of the Federal ethics program would help support public trust in Government. The audiences included non-Government organizations, professional and business associations and educational institutions. The OGE Director and his staff specifically reached out to organizations OGE wished to engage in a dialogue on key emerging issues. For example, the Director spoke to the Defense Industry Initiative, a coalition of major defense contractors on the ethics issues of contractors in the Federal workplace. Others in OGE made presentations to organizations such as the Public Contracts section of the American Bar Association, a large group of private-sector companies who market products and services to the Government, and a national association of scientists. Overall, these interactions resulted in consistently positive responses.

Objective 3.3: Support U.S. Foreign Policy Anti-Corruption and Good Governance Initiatives

OGE's provision of ethics program expertise and an understanding of an ethics program's role in good governance have had an appreciable and positive effect on the recipients of United States anti-corruption foreign policy initiatives as well as within the executive branch. FY 2007 was an extremely active and highly successful year for OGE in its support of United States foreign policy initiatives in the area of corruption prevention -- certainly more active than initially anticipated.

OGE served as a primary representative of the United States Government at the plenary meeting of the Council of Europe's Group of States Against Corruption (GRECO) during the consideration and adoption of the second round evaluation report on the United States; continued to represent the United States at GRECO meetings throughout the year; and was selected to continue to serve as expert evaluators of other GRECO members during the third round of evaluations which will begin in FY 2008.

The United Nations Convention Against Corruption has been and continues to be a priority United States anti-corruption foreign policy initiative. At the request of the Department of State and because of its expertise in mutual

evaluation mechanisms, OGE served as a principal member of an interagency committee responsible for developing the United States' position on review of implementation of the Convention; represented the United States at UN meetings to develop a system for reviewing implementation of the Convention; coordinated a substantial portion of the United States' response to the checklist required of all States Parties to the Convention; and assisted in the initial stages of a pilot review program.

Throughout FY 2007, OGE provided expertise in a number of initiatives of other international organizations in which the United States is a member. OGE worked with the Asia Pacific Economic Cooperation (APEC) Anticorruption and Transparency Task Force by developing and leading the Task Force discussion on proposed Conduct Principles for Public Officials in the APEC economies. These Principles were ultimately adopted by APEC leaders in their September, 2007 meeting in Australia.

OGE continued to serve as a United States expert resource to the Organization for Economic Cooperation and Development Public Governance and Territorial Development Directorate on a variety of topics and programs including post-employment, lobbying, and assessing integrity programs. OGE also served as the head of the United States delegation to the Fifth Global Forum on Fighting Corruption and Safeguarding Integrity in South Africa and as a United States host in high-level exchanges with China in support of the Anti-Corruption Working Group of the U.S.-China Joint Liaison Group.

In long-standing support of the Department of State's International Visitor Leadership Program, OGE continued to meet with delegations of foreign visitors interested in ethics, conflicts of interest, transparency, and other good governance initiatives. During FY 2007, OGE hosted approximately 40 delegations made up of approximately 300 visitors from over 60 countries. Nearly 60 percent of the surveyed visitors were public officials and the others included journalists, academics, and members of non-governmental organizations. In FY 2007, OGE began surveying the delegations and found that nearly all visitors reported that OGE's presentations helped them understand the role of OGE and how the executive branch ethics program works and that they felt the knowledge they

gained from the presentations would be useful to them in their countries.

OGE continued to support a number of other Department of State programs in FY 2007, including the International Information Program, by participating in video conferences and web-chats with groups of individuals from numerous countries including Bangladesh, Paraguay, Mozambique and Cameroon, and in Speaker Program visits in Thailand and Vietnam. Additionally, OGE worked with the Bureau for International Narcotics and Law Enforcement Affairs within the State Department, to provide technical assistance to individual country anti-corruption programs and continued to review follow-up reports on anti-corruption prevention efforts made by countries who have signed on to the Follow up Mechanism of the Inter-American Convention Against Corruption.

Enhanced Internal Administrative Support

Without critical, internal administrative support, OGE could not successfully pursue or reach its strategic goals. During FY 2007, OGE maintained vital services related to budget and finance, human resources, graphics, facilities and property management, travel, procurement, telecommunications, records management, and information and website technologies.

To add to this array of services and related reporting requirements, OGE took steps to better enable OGE to attract and retain a highly efficient workforce. OGE met the Office of Personnel Management deadlines for requesting recertification of its SES pay-for-performance system and revised both its Human Resources Manual Chapter on OGE's SES Performance Appraisal System and its SES performance appraisal form. OGE also revised its Manual chapters dealing with employee training, telework, incentive awards, and time and attendance. OGE also adopted policies regarding the credit of prior experience for leave purposes and the recruitment of attorneys.

OGE completed a review of its pandemic plan for continuity of operations in such an event. In addition to enhancing its security profile by complying with HSPD-12 deadlines, OGE entered into an extensive review of emergency and security issues with other Federal agencies sharing the same worksite, the General Services Administration, and the Federal Protective Service. OGE also revised its Administrative Manual chapters concerning mail, procurement, travel, and forms management.

In FY 2007, OGE undertook several initiatives to improve business processes. For example, OGE initiated a review of its storage and tracking of SF-278s and a review of the control and disposition of e-mail. It also successfully completed a test of OGE's access to the Army's electronic Financial Disclosure Management System. OGE procured software to better permit the IT Security Officer to monitor IT network changes. OGE developed a database to enable a more expeditious reporting of training data to the Office of Personnel Management. OGE participated in the National Finance Center's migration of its IT functions from New Orleans to Denver. OGE also developed a data breach policy. Looking to the future, OGE initiated steps

for the transition from WITS2001 to WITS3 and for the implementation of a standardized desktop configuration developed by OMB, as well as continuing the transition to Internet Protocol version 6, all of which are to be finalized in 2008.

FY 2008 and FY 2009 Planned Results

Strategic Goal One: Strengthening Ethical Culture Within the Executive Branch

Objective 1.1: Improving the Effectiveness of Ethics Policy **FY 2008 and FY 2009 Planned Results**

In FY 2008 and early FY 2009, OGE expects to finish preparation of informational materials that will be distributed or issued in connection with the upcoming Presidential transition. In addition to pamphlets and training materials described in other parts of this report, OGE will provide extensive briefing materials to the transition teams of both major candidates. The materials will include information on transition, codes of conduct, financial disclosure requirements for members of transition teams, and transition Memoranda of Understanding, as well as information about OGE-specific issues such as nominee financial disclosure. Working as early as possible with the relevant candidates' representatives and transition teams will minimize impediments to a smooth transition after the Inauguration. Moreover, these initial communications have the effect of emphasizing the importance of ethical conduct for incoming Government officials.

OGE also plans to issue policy guidance to agencies to help them prepare for the transition. For example, OGE will issue memoranda explaining the status of officials who are temporarily brought on staff while awaiting Senate confirmation, and instructions on how to process nominee financial disclosure forms prior to the Inauguration.

Because of staffing shortages, several guidance documents that OGE had planned to release in FY 2007 have been deferred to FY 2008. One document will explain the complex rules governing Federal employees who plan to write books related to their Government experience. The second document is OGE's proposed rule updating the Standards of Ethical Conduct. OGE still expects to have these changes in place prior to the beginning of the new Administration.

Final rules revising OGE regulations on the post-employment restrictions under 18 U.S.C. § 207 will be published as soon as OGE receives final approval from the Department of Justice and the Office of Management and

Budget. OGE also plans to publish in FY 2008 proposed rules implementing the prohibition on supplementation of Federal employees' salaries under 18 U.S.C. § 209, which has not been addressed previously in OGE's rules.

Finally, in FY 2008 and 2009, in order to ensure that OGE's policy guidance focuses on emerging issues and meets the needs of agency ethics officials, OGE will continue to gather feedback directly from the officials to whom guidance is provided. This information will be obtained through web-based and focus group mechanisms established in FY 2007, as well as through the use of surveys, if adequate funding is available. Notably, OGE intends to continue to administer an annual survey, initiated in FY 2007, of high-level agency program contacts. The survey gathers information to assess the effectiveness of OGE's policy guidance and OGE's support of policy implementation at the agency level.

Performance Measures

Objective 1.1						
Improve the Effectiveness of Ethics Policy						
Performance Measures	Performance Targets - Projected					
	Baseline	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Percent of ethics officials who rate OGE as responsive to emerging ethics program issues	78%	80%	80%	80%	80%	80%
		81%				
Percent of ethics officials who rate guidance as useful	94%	95%	95%	95%	95%	95%
		93%				
Percent of ethics officials who say they receive the guidance they need to do their jobs effectively	85%	85%	85%	85%	90%	90%
		82%				

* Note: FY 2009 performance targets and measures reflect benchmarks established in FY 2007 and set forth in OGE's FY 2008 performance plan. OGE's experience in implementing the Strategic Plan and results of ongoing surveys may result in modifications of targets and measures in future annual performance plans.

Objective 1.2: Enhance Assistance and Oversight of Agency Ethics Programs

FY 2008 and FY 2009 Planned Results

In FY 2008 and FY 2009, OGE will refine the scope of program reviews in order to focus resources on the most critical elements of agency ethics programs in the context of the Presidential transition. OGE will host several seminars and focus group meetings and continue its discussions with senior leadership throughout the executive branch with the aim of developing and distributing model practices and other useful information. In particular, in FY 2008, OGE will begin a series of program reviews targeting evaluation of systems and internal controls used to implement and to monitor financial disclosure programs. The reviews will include assessment of training provided to employees subject to financial disclosure requirements, as well as policies and procedures designed to track and follow up with filers. The objective is to assist agencies in preparing for an acute increase of filers over a relatively short period by identifying vulnerabilities and model practices in training and internal controls.

OGE will also continue to conduct more broad-based program reviews to identify model practices in other program elements and to assess: (1) the adequacy of staffing, (2) the level of compliance with statutory and regulatory requirements, (3) the policies and practices for pertinent internal controls, (4) the results of specific actions designed to move beyond a goal of basic regulatory compliance, and (5) the involvement of agency leadership in ensuring the success of the agency's ethics program. While OGE will continue to identify weaknesses in agency ethics programs and make recommendations for improving these weaknesses, in FY 2008 and FY 2009 OGE will emphasize the value of identifying and highlighting successes and innovations in program administration. This emphasis will enhance the value of the review process to the broader ethics community, making it clear that agency reviews provide a source of information useful to all agencies.

Finally, OGE will continue its work with agencies to develop surveys and other agency self-assessment tools. These tools will allow agencies to establish benchmarks and to evaluate the effectiveness of their own programs. The development of self-assessment tools is particularly

important because due to limited resources, OGE alone cannot timely assess all agency programs.

Worldwide, more than 6,000 ethics officials are involved in administering the executive branch ethics program. OGE has the responsibility of training these officials. Some have as many as 15 years of experience, but most have far less. Fewer than 600 of these officials are full-time ethics officials. In addition to conducting routine training programs and providing job aids, OGE presents a National Government Ethics Conference, attended by over 500 ethics officials, at intervals of approximately every 18 months. At the end of FY 2008, OGE will present the 16th National Government Ethics Conference focusing on the wide range of issues that are particularly significant during a time of transition to a new Administration. Transition issues will be the principal focus of OGE's training efforts in FY 2008 and FY 2009, and OGE will use preparation for the FY 2008 National Government Ethics Conference as an opportunity to develop training products that can be refined and delivered to the larger ethics community in FY 2009.

In FY 2008 and FY 2009, OGE plans to expand the training provided to new and experienced ethics officials. The goals are to increase significantly the number of ethics officials trained each year and to increase the variety of training opportunities offered to ethics officials. This expansion is needed in order to prepare ethics officials for the upcoming Presidential transition and will take place on several fronts both in terms of the subject matters addressed and the number of officials reached. To meet these goals, OGE will undertake the following:

- First, OGE will increase the size of the venues in which some of the headquarters training sessions are held. Currently, OGE's onsite facilities permit training of approximately 30 ethics officials per session. To the extent possible, OGE plans to move some training events offsite to venues that accommodate 100 or more ethics officials. Offsite training opportunities will be limited by the availability of funds and OGE's ability to partner with other agencies having appropriate facilities. Access to larger facilities will enable OGE to reach larger audiences where appropriate for the particular

session. By the close of FY 2009, OGE plans to triple the number of ethics officials receiving instructor-led training as compared with FY 2007. OGE has already begun identifying Federal agencies with space suitable for ethics training.

- Second, OGE will increase the size of the facilities used for regional symposia offered to ethics officials. Previously, 80-100 ethics officials were trained at each symposium. OGE plans to double that number by the close of FY 2009. This plan is contingent on obtaining the funds needed to contract with conference facilities and to provide for related OGE travel and lodging expenses.
- Third, OGE will use technology -- including web-based training, CD-ROMs, and videos -- to deliver training to ethics officials. For many training programs, using technology to create and archive training products is a cost-effective means of training hundreds of ethics officials and enables the officials to access the training whenever they need the information. The use of technology to train ethics officials is subject to the availability of funds.
- Fourth, for experienced ethics officials, OGE plans to develop hands-on, instructor-led training that addresses complex issues and the "grey areas" that experienced ethics officials are likely to encounter. OGE will continue to use surveys and questionnaires in order to evaluate and improve its training efforts.

Agency ethics officials provide ethics training to approximately 1.5 million executive branch employees each year. The instructional skills of the ethics officials determine, in part, the extent to which employees increase their knowledge and skills. To increase ethics officials' instructional skills, OGE hosted a two-day symposium for ethics officials in early FY 2008. The symposium focused on enhancing training skills and adapting instructor-led training products to electronic media. Drawing presenters from the public and private sectors, the symposium addressed the design, development, delivery, and evaluation of training. OGE will also issue a series of instructor tips via its website during FY 2008. Topics will include tips on handling difficult participants, adjusting presentations to the learning style of participants, and

eliminating distracting mannerisms on the part of the instructor.

Finally, OGE will continue to ensure that its desk officer program delivers timely, accurate, and consistent guidance to executive branch ethics officials on the wide range of ethics issues that routinely arise, as well as identifying model practices and programs in other agencies and offering suggestions for improving program operations. OGE will also publish on the OGE ListServe guidance provided through the desk officer program and the Office of General Counsel that has broad application to the ethics community. In addition, in FY 2008, the desk officers will continue to provide specific outreach to small boards and commissions. The outreach will include onsite work at agencies as well as small group working sessions at OGE.

Performance Measures

Objective 1.2 Enhance Assistance and Oversight						
Performance Measures	Performance Targets - Projected					
	Baseline	FY Actual Results in bold				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Percent of ethics officials who are satisfied with education and training provided by OGE to support ethics officials	64%	70%	75%	80%	90%	90%
		72%				
Percent of ethics officials who view OGE's program review process as adding value to their own programs*	65%	75%	85%	90%	90%	90%
		57%*				
Percent of agencies that conduct internal reviews or audits to evaluate their program's compliance with applicable ethics laws and regulations	59%	60%	65%	70%	75%	80%
		60%				
Percent of agencies that use self-assessment surveys to evaluate employee perceptions of their agency's ethics program and ethical culture	24%	25%	30%	40%	40%	50%
		28%				
Percent of ethics officials who are satisfied with information shared on ethics program model practices	55%	65%	70%	75%	85%	85%
		63%				

* The phrasing of the request for this information may have suggested that only agencies participating in a program review in 2007 had relevant data. OGE believes that the program review process, particularly in identifying and promoting implementation of model practices, adds value to the overall ethics program. Notably, the Compliance Plus initiative is intended to enhance the overall understanding of the usefulness of program review as a tool to identify and share model practices with the entire ethics community.

Objective 1.3: Increase Employee Awareness of Their Ethics Responsibilities

FY 2008 and FY 2009 Planned Results

Consistent with OGE's preparation for the Presidential transition in FY 2009, OGE will create new and updated materials for officials leaving the Government in FY 2008 and FY 2009. As a key part of these materials, OGE will publish in FY 2008 one new pamphlet and update three additional pamphlets that focus on the ethics rules that apply when seeking non-Government employment as well as the rules that apply to post-employment activities. OGE will continue to hold training sessions and discussion groups for ethics officials who provide advice to departing employees. These sessions will continue to focus on the ethics rules that relate to seeking employment outside the Government and post-employment activities.

OGE will continue its assistance to advisory committees in FY 2008 and FY 2009. OGE will publish a new ethics pamphlet for special Government employees who serve on advisory committees. OGE also intends to continue coordinating with the General Services Administration on advisory committee matters, including conducting ethics training for committee management officers throughout the Government.

To prepare for the thousands of employees who will exit and enter the Federal workforce as a result of the upcoming Presidential transition, OGE launched a program in FY 2007 to develop a suite of training courses and evaluation instruments for agencies to use in training their employees and assessing the effectiveness of the training. In FY 2009, this project will be completed, with a mix of instructor-led and online training as well as videos and job aids.

In FY 2008, OGE will continue to identify exemplary training products developed by agencies and will recognize these training products at its 16th National Government Ethics Conference. In FY 2009, OGE will electronically distribute the award-winning products to the broader ethics community. Coupled with the OGE-developed products, this approach will increase access to quality employee ethics training in a cost-effective manner. OGE's development of

online courses and videos is subject to the availability of funds.

Performance Measures

Objective 1.3						
Increase Employee Awareness and Understanding						
Performance Measures	Performance Targets - Projected					
	Baseline	FY Actual Results in bold				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Percent of agencies that incorporate OGE education and training products into their program	66%	70%	75%	80%	90%	90%
		72%				
Percent of participants whose knowledge of the ethics rules increased after participating in OGE conducted training	87%	90%	90%	100%	100%	100%
		100%				
Percent of ethics officials who are satisfied with employee education and training programs provided by OGE	44%	55%	60%	70%	80%	80%
		57%				
Percent of employees who indicate they are familiar with ethics rules	52%	60%	70%	70%	80%	80%
		59%				
Percent of employees who indicate that they recognize ethics issues when they arise	59%	65%	70%	75%	80%	80%
		66%				
Percent of employees who believe that if ethics concerns are reported to the agency, action is taken to resolve them	51%	55%	65%	70%	75%	75%
		56%				
Percent of employees who believe that employees who are caught violating ethics rules are disciplined	42%	45%	45%	50%	55%	60%
		50%				

Objective 1.4: Increase OGE's Focus on Senior Officials' Roles in Implementing Ethics Program

FY 2008 and FY 2009 Planned Results

For delivery in FY 2009, OGE plans to develop a training program on ethical leadership specifically for agency leaders. The course will focus on why ethical leadership is important, how such leadership benefits the

agency and the Government, and what concrete actions agency leaders can take to enhance their ethics programs. OGE also will reach out to thousands of individual nominees who enter the Government as part of the 2009 Presidential Administration following the 2008 election. For example, to help them with the transition and prepare them for their roles as public servants, OGE will produce a video message from OGE's Director explaining the significance of financial disclosure and other ethics responsibilities. OGE also will continue to provide Presidential appointees with a pamphlet that summarizes the ethics rules that apply to senior officials.

During FY 2008 and FY 2009, OGE will continue its practice of inviting agency leadership to meet with OGE leadership in connection with ethics program reviews. To the extent that OGE has adequate funding, it will use surveys, in part, to assess executive branch employees' attitudes concerning their agency's ethical culture and their knowledge of ethics issues. OGE will continue, at least annually, to use surveys to assess the effectiveness of OGE's programs and to promote awareness of ethics issues. These survey findings will then be incorporated into the discussion between OGE and agency leadership.

Performance Measures

Objective 1.4 Promoting Agency Leadership						
Performance Measures	Performance Targets - Projected					
	FY Actual Results in bold					
	Baseline	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Percent of employees who believe their agency leaders pay attention to ethics	64%	65%	70%	75%	75%	80%
		69%	*	*	*	*
Percent of employees who believe their immediate supervisors pay attention to ethics	75%	75%	75%	80%	80%	80%
		80%	*	*	*	*

* The actual results in FY 2007 were obtained through surveys. Surveys for future years containing these questions may be conducted if funding becomes available.

Strategic Goal Two: Preventing Conflicts of Interest

Objective 2.1: Enhance Assistance to the President and Congress in the Presidential Appointment Process

FY 2008 and FY 2009 Planned Results

In FY 2008, OGE will submit a proposed rule on blind and diversified trusts to OMB for clearance. The draft rule will revise OGE's current rule on trusts to make it clearer and more accessible to employees. OGE expects to have a final rule issued in time for the anticipated increase in requests in FY 2009 to establish blind trusts. Also in FY 2008, OGE expects to submit various revised regulations dealing with public financial disclosure and exemptions to the conflicts of interest rules to OMB for clearance. The revisions will be designed to streamline the nominations process.

Because OGE is no longer working to develop an executive branchwide electronic filing system, it continues to work with a voluntary branchwide group of ethics officials to facilitate independent agencies' electronic filing systems. The Department of the Army's electronic filing system is now operating and is being marketed for use by other agencies. OGE continues to monitor the progress of e-filing systems.

To assist executive branch ethics officials in preparing for the anticipated surge in the volume of reports filed by Presidential nominees for positions requiring Senate confirmation during the Presidential transition (approximately 1,100 individual reports), OGE will undertake several efforts: First, in early FY 2008 OGE will conduct a regional conference on public financial disclosure. The conference will focus on technical disclosure and substantive conflicts issues specific to PAS individuals. Second, in FY 2008, OGE will supply financial disclosure reviewers at executive branch agencies with an electronic compilation of OGE's guidance and documents related to public financial disclosure. Third, in FY 2008, OGE will supplement its *Financial Disclosure: A Reviewer's Reference* manual with guidance on how various financial instruments and arrangements are to be reported and analyzed for conflicts of interest. If funds are available, this compilation will be made electronically

searchable and updatable. Fourth, in FY 2008 and FY 2009, OGE will continue to expand its pool of public financial disclosure report reviewers and will continue to encourage other executive branch ethics programs to expand their pool as well. Finally, in FY 2008 OGE will release a guide that provides extensive advice on drafting ethics agreements for PAS nominees.

Performance Measures

Objective 2.1						
Enhance Assistance to the President and the Congress						
Performance Measures	Performance Targets - Projected					
	Baseline	FY Actual Results in bold				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Number of agencies using an electronic filing system	2	6 4	* 1	*	*	*
Percent of users who are satisfied with electronic filing systems	**	**	**	**	**	**
Percent of officials who comply with ethics agreements within required time frames	95%	95% 98%	95%	95%	95%	95%
Resolves all conflicts and technical reporting issues for nominee financial disclosure reports no later than five days after a nomination is made.	90%	90% 95%	90%	95%	95%	95%

* OGE's E-Gov Initiative was not approved; therefore, OGE's responsibility changed from implementation to monitoring systems being independently created.

** OGE has not previously gathered information on this performance measure. OGE intends to establish a baseline and develop performance targets after consultation with agencies.

Objective 2.2: Monitor Continued Compliance With Conflict of Interest Laws

FY 2008 and FY 2009 Planned Results

While the vast majority of financial disclosure reports are timely filed, delinquencies have the potential to significantly undermine public confidence in the ethics program, to embarrass filers, and to divert ethics program resources. In FY 2006 and 2007, OGE refined its written procedures for following up with agency ethics officials about public financial disclosure reports submitted to OGE for final review and certification. As a result of this refinement, filing timeliness increased.

In anticipation of the substantial increase of public financial disclosure reports that will be filed by people unfamiliar with the process, OGE will continue in FY 2008 and FY 2009 to work with agencies to improve their follow up procedures to ensure that the integrity of the public financial disclosure system is not undermined by an increase in filing delinquencies. OGE will emphasize to agency ethics officials the importance of notifying public filers of the status of the filer's report -- either that the report has been certified or that the certification is pending based on the need to resolve an identified potential conflict of interest. In FY 2009, OGE will enhance its notification process for alerting agencies when their employees' annual and termination financial disclosure reports have been certified by OGE. Also in FY 2009, OGE will provide formal feedback to agency ethics officials about the quality of agency review of financial disclosure reports.

In FY 2008 and 2009, OGE will continue to monitor compliance with ethics agreements that are entered into as a result of information disclosed on the reports. Traditionally, the number of ethics agreements monitored by OGE during a transition year is more than double those being monitored in the later years of an Administration. In recognition of this increased volume, OGE will assess the internal controls of its ethics agreement compliance monitoring program in FY 2008.

Enforcement is a critical component of an effective ethics program. Conflicts of interest violations may

result in a wide range of administrative, civil, and criminal penalties. Inspectors General are important partners to the ethics community, as they usually conduct agency investigations of alleged ethics violations. In FY 2008 and FY 2009, OGE will continue its efforts to foster effective working relationships with the Inspector General community.

In FY 2008, OGE will expand outreach to the Inspectors General by including a greater number of representatives as participants and presenters at the National Government Ethics Conference, as compared to FY 2007. IG attendance and participation will provide an opportunity for IGs and the ethics community to develop better working relationships, to develop strategies to assist each other in carrying out responsibilities common to each group, and to identify common needs and ways to meet these responsibilities through collaboration. OGE also will develop and administer a survey instrument designed to better understand the needs of the Inspector General community as they relate to support of the ethics program. OGE will build upon its efforts to provide educational support to the IG community, for example, by providing advice and training on technical aspects of relevant laws and regulations, as well as training on review of financial disclosure reports that may be germane to their investigations. In FY 2008, OGE will host a focus group to discuss issues and themes of common interest and to develop appropriate presentations for the 16th OGE National Government Ethics Conference.

OGE also will continue to work with the Department of Justice and Inspectors General on enforcement of ethics requirements. Although many violations of ethics rules are handled through administrative disciplinary proceedings, OGE coordinates with DOJ on criminal prosecutions where requested, and sometimes makes referrals to DOJ or the IGs based on information received by OGE. OGE expects that these activities will continue in FY 2008 and FY 2009. In particular, in FY 2008, OGE will develop and present an ethics training course at the IG Academy for IG investigators. Furthermore, OGE will continue to liaise with DOJ on any cases in which OGE is a party, or which involve important legal questions that arise under the criminal and civil statutes within OGE's jurisdiction.

Performance Measures

Objective 2.2						
Monitoring Compliance with Conflict of Interest Laws						
Performance Measures	Performance Targets - Projected					
	Baseline	FY Actual Results in bold				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Percent of audited entities that provide public financial disclosure report filers with feedback after their reports have been reviewed	84%	85%	90%	90%	95%	95%
		100%				
Percent of audited entities that have written procedures for following up with delinquent filers	49%	60%	75%	90%	100%	100%
		91%				

Objective 2.3: Administer an Effective Confidential Financial Disclosure System

FY 2008 and FY 2009 Planned Results

During program reviews, OGE assesses the effectiveness of agencies' confidential financial disclosure systems. These assessments will continue in FY 2008 and FY 2009 and in FY 2008 will include a survey of ethics officials to determine their satisfaction with the use of the new confidential reporting form.

In addition, OGE is responsible for reviewing and approving requests from agencies to establish alternative confidential financial disclosure procedures. During the course of standard program reviews, and on routine occasions such as panel presentations at OGE's National Government Ethics Conference, OGE has underscored the option of using an alternative procedure and has provided interested agencies with guidance and copies of previously approved forms already in use at other agencies. Appropriate implementation of alternative procedures for handling the confidential financial disclosure process promotes efficient allocation of ethics program resources

and has the potential to allow agencies to focus increased resources on other important program objectives, including training, awareness building, self-assessment, and leadership support. In FY 2008 and FY 2009, OGE will continue to emphasize the availability and advantages of alternative financial disclosure procedures and to assist agencies in developing alternative procedures where appropriate.

Performance Measures

Objective 2.3						
Improved Administration of Confidential System						
Performance Measures	Performance Targets - Projected					
	Baseline	FY Actual Results in bold				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Percent of alternative systems judged by program review to have been effectively implemented	60%	65%	70%	80%	90%	90%
		100%				
Percent of required confidential filers who filed by end of reporting year	70%	*	75%	75%	80%	80%

* The regulation was amended for this reporting period. Results for FY 2007 will be available in FY 2008.

Strategic Goal Three: Promoting Good Governance

Objective 3.1 Increase OGE's Support of and Cooperation With Federal, State and Local Agencies Implementing Programs That Help Support Good Governance

FY 2008 and FY 2009 Planned Results

In FY 2008 and FY 2009, OGE will continue to support and promote good governance programs across all levels of Government. At the Federal level, OGE will continue to work with a number of agencies, directly and through interagency organizations, whose missions include ethics and good governance. For example, in addition to OGE's efforts to enhance enforcement of ethics laws discussed previously, the Director of OGE will continue his active

participation in the Inspector General community as a member of the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE). The Director will also continue to serve on the PCIE Integrity Committee which is responsible for reviewing allegations made against Inspectors General. In FY 2008 OGE will work with the Inspector General Training Academy to develop a course on investigating public corruption ethics cases. OGE also will continue to maintain an active presence in the meetings of the Interagency Ethics Council.

In FY 2008 and FY 2009, OGE will continue the dialogue begun in FY 2007 with State and local government agencies regarding the elements of good governance identified by the international anti-corruption community. In particular, OGE will share with State and local agencies the evaluation results, recommendations and policy studies in reports issued by international organizations such as the United Nations, the Council of Europe, the Organization of American States and the Organization for Economic Cooperation and Development.

OGE will continue to actively engage the members of the Council on Governmental Ethics Laws (COGEL) on projects of mutual interest. FY 2007 saw substantial changes in many ethics laws and agency authorities at the State and local levels and OGE anticipates that these changes will increase information sharing opportunities over both FY 2008 and FY 2009.

Performance Measures

Objective 3.1						
<i>Increase OGE's Support of and Cooperation With Federal, State and Local Agencies Implementing Programs That Help Support Good Governance</i>						
Performance Measures	<u>Performance Targets</u>					
	FY Actual Results in bold					
	Baseline	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Number of programs/projects involving federal agencies/organizations	6	8 14	8	10	10	10
Percent of feedback from federal program/project attendees indicating OGE participation was useful	30%	30% 95%	40%	50%	50%	60%
Number of programs/projects involving state/local/government agencies/organizations	2	2 5	2	3	3	3
Percent of feedback from state and local program/project attendees indicating OGE participation was useful	30%	30% 100%	40%	50%	50%	60%

Objective 3.2: Enhance Outreach to the Public and Private Sector and Civil Society

FY 2008 and FY 2009 Planned Results

Through active outreach, OGE will enhance the understanding of the private sector and civil society about the goals and operation of the executive branch ethics program. In FY 2008 and FY 2009, OGE will continue to identify organizations within the private sector and civil society whose broader understanding of the Federal ethics program would help support public trust in Government, particularly during a Presidential transition. OGE will then identify opportunities to work with these organizations targeting the priority areas of leadership

and planning for the upcoming Presidential transition. OGE will continue to extend invitations to private sector organizations and civil society to participate in the 16th National Government Ethics Conference, as well as to participate in other training programs sponsored by OGE.

As part of its plan to enhance outreach to the public during FY 2008 and FY 2009, OGE will continue to respond to press and public inquiries in a timely manner, with an eye toward raising public awareness of the ethics laws and rules that apply to the executive branch. For example, OGE will continue to serve the media and the public by providing timely and thorough responses to public requests for information relating to public financial disclosure reports and the semi-annual agency reports of travel payments accepted from non-Federal sources. During FY 2009, OGE expects a large increase in the number of requests for public financial disclosure reports because of the influx of new senior executive branch officials.

In FY 2008, OGE expects to launch its redesigned website and will continue to refine and modernize the website design and features in FY 2009. These improvements will enhance public access to information about OGE and the executive branch ethics program. It will also assist OGE in responding to queries from the general public handled through its call desk system.

In addition, during FY 2008 and FY 2009, OGE will continue to provide timely responses to the FOIA and Privacy Act requests it receives. OGE typically handles about 50 requests a year, and it is likely that this trend will continue.

Performance Measures

Objective 3.2						
Enhance Outreach to the Private Sector and Civil Society						
Performance Measures	Performance Targets					
	Baseline	FY Actual Results in bold				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Number of meetings, speeches, presentations and similar outreach efforts to organizations that represent the public, civil society and persons who do business with the Government	8	10	10	12	12	15
		12				
Percent of feedback from attendees indicating that interaction with OGE was useful	30%	30%	40%	50%	50%	60%
		100%				

Objective 3.3: Support U.S. Foreign Policy Anti-Corruption and Good Governance Initiatives

FY 2008 and FY 2009 Planned Results

OGE will continue to provide ethics expertise in support of United States Government foreign-policy anti-corruption objectives, in particular, responding to requests for assistance from the Departments of State and Justice and supporting long-standing United States working relationships with international organizations such as the Public Governance Directorate of the Organization for Economic Cooperation and Development. Specifically, OGE will continue to serve as a United States Government resource for international ministerial level meetings where corruption prevention is a topic under discussion, provide technical assistance to individual country anti-corruption programs through the support of the Departments of State and Justice, and participate in visits and video conferences that address anti-corruption.

OGE will serve as a principal member of an interagency committee for the review and implementation of the UN Convention Against Corruption during FY 2007 and FY 2008, and will assist with programs designed to help countries meet their obligations under the Convention.

In FY 2008 and FY 2009, OGE will serve as a representative of the United States Government at the Council of Europe's Group of States Against Corruption (GRECO) plenary meetings and as an expert evaluator of other GRECO members. In FY 2009, OGE will also serve as a principal member of an interagency group responsible for preparing for GRECO's third round review of the United States.

Additionally in both fiscal years, OGE will assist the United States Government in reviewing the steps taken by members of the Organization of American States' Follow-up Mechanism to the Inter-American Convention Against Corruption to implement recommendations received during the first round of evaluation.

Also in FY 2008 and FY 2009, OGE will work closely with the Department of State to plan, organize and participate in specific as well as general corruption prevention programs for the APEC Anticorruption and Transparency Task Force and the U.S.-China Joint Liaison Group's Anti-corruption Working Group.

Finally, during both fiscal years, OGE will continue to support the Department of State's International Visitor Leadership Program by meeting with delegations of foreign visitors interested in the work of OGE.

Performance Measures

Objective 3.3 Support U.S. Foreign Policy Anti-Corruption and Good Governance Initiatives						
Performance Measures	Performance Targets					
	Baseline	FY Actual Results in bold				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Number of programs/projects OGE participates in at the request U.S. foreign policy agencies/ organizations	7	7	7	8	8	8
		21				
Percent of feedback from program/project participants indicating that interaction with OGE was useful	30%	30%	40%	50%	50%	60%
		90%				

Enhanced Internal Administrative Support

FY 2008 and FY 2009 Planned Results

In FY 2008 and FY 2009, OGE will continue its efforts to recruit and retain an effective and efficient workforce. OGE will achieve this through human resource management services that include staffing, position management and classification, awards, performance management, and personnel/payroll processing. In addition to meeting performance measures regarding the use of information technology to improve OGE's business processes in FY 2008, OGE will complete its transition from WITS2001 to WITS3 and the implementation of the standardized desktop configuration developed by OMB. OGE's transition from Internet Protocol version 4 to version 6 (IPv6) will be completed in FY 2008.

To ensure a safe work environment, OGE will continue to enhance its non-pandemic plan for the continuity of operations in FY 2008 and FY 2009. OGE will complete implementation of the Government-wide identification card (HSPD-12) in FY 2008, barring difficulties involving the General Services Administration and its HSPD-12 contractors. In addition to continuing with essential administrative services such as budget and financial services, travel, procurement, printing, graphics, and personnel security, OGE will complete revisions to travel card and mass transit subsidy policies. OGE will make any adjustments to the automated training system developed in FY 2007 to better meet the reporting requirements of OPM for FY 2008.

Further IT-related initiatives are anticipated for FY 2009. OGE last upgraded its personal computers in 2002. Life expectancy for desktop computers is normally three to four years and OGE will have far exceeded that expectancy by FY 2009. Funds are being requested in FY 2009 to replace that aging equipment.

Conclusion

The Office of Government Ethics will use its \$13,000,000 FY 2009 budget request to support its mission of fostering high ethical standards for executive branch employees and, thereby, to enhance the public's confidence

that the Government's business is conducted with impartiality and integrity. OGE will employ its resources to achieve its strategic goals of strengthening the ethical culture within the executive branch, preventing conflicts of interest, promoting good governance and preparing for one of OGE's most critical roles: supporting the transition to a new Administration. OGE will assist with the transition in a myriad of ways, including assisting with post-employment issues for the outgoing officials and financial disclosure for incoming nominees and officials. As evidenced by its many achievements in FY 2007, the carefully planned activities for FY 2008, and the intense focus on supporting the transition to a new Administration in FY 2009, OGE is prepared to undertake mission-critical tasks and an array of new initiatives to reach its new strategic goals.