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

December 6, 2012

Stephen W. Preston
Designated Agency Ethics Official
Central Intelligence Agency
OGC/ALD/Ethics
Washington, DC 20505

Dear Mr. Preston:

The United States Office of Government Ethics (OGE) has completed a second follow-up review of the ethics program at the Central Intelligence Agency (CIA) to determine how the outstanding recommendations in our May 2011 program review report have been addressed. The original May 2011 review identified seven recommendations requiring agency action and provided four suggestions to further improve ethics program operations.

OGE conducted its first follow-up review in February 2012 and determined the steps taken by CIA were sufficient to close two of the seven recommendations and all four suggestions from the 2011 review. In November 2012, OGE conducted its second follow-up review of the ethics program at CIA. The status of the five outstanding recommendations and results of the second follow-up review appear below.

Financial Disclosure

OGE's initial report found that CIA's 1) review of public and confidential financial disclosure reports was inadequate, 2) process for identifying confidential filers was not reliable, and 3) written procedures were out-of-date. Therefore, OGE recommended that the CIA:

- Develop procedures – other than self-identification – that reliably identify confidential financial disclosure report filers, including new entrant and annual filers.
- Develop procedures to ensure all reports are timely filed, reviewed, and certified.
- Draft new procedures for the administration of the public and confidential financial disclosure systems that address all required elements and accurately reflect the revamped processes for financial disclosure that that have been put in place.

CIA ethics officials waited to develop written procedures until implementation of the agency's Ethics Compliance Track System (ECTS)[1] began in late 2012. This electronic system will be in place in for financial disclosure reports that are due in 2013. OGE found the written

[1] Once fully implemented, ECTS will serve as the electronic platform for public financial disclosures, confidential financial disclosures, new entrant and annual training, and post-employment counseling.

procedures to be in compliance with the requirements of section 402(d)(1) of the Ethics Act by identifying how public and confidential financial disclosure reports are collected, reviewed, certified and maintained. The procedures also document the ways the ethics and human resource offices will ensure timely identification of new entrant confidential filers through coordination between the offices and the use of ECTS. CIA has taken appropriate action responsive to OGE's recommendation. Therefore, the recommendation is closed.

Education and Training

OGE's initial report found that CIA's manual process for tracking the completion of annual ethics training impaired the ethics program due to the large number of covered employees to be tracked. Therefore, OGE recommended that CIA implement a more efficient tracking system that allows ethics officials to timely and continually monitor completion of annual ethics training.

As noted above, the CIA developed ECTS for use beginning in 2013. This electronic system will also be used to track completion of annual training and represents a significant improvement over the time-consuming, manual process that was previously in place. Agency ethics officials provided a demonstration of ECTS to OGE. Several key system features should help the CIA manage and monitor compliance with the annual ethics training requirement. Employees now have their identification badges scanned upon attendance at in-person ethics training. After completion of training, ethics officials can generate a list of unique badge numbers for input into ECTS. The system sends weekly reminders to employees who have not fulfilled training requirements. Finally, ECTS's search and reporting capabilities give ethics officials multiple ways to obtain annual training status quickly. CIA has taken appropriate action responsive to OGE's recommendation. Therefore, the recommendation is closed.

Agency-Specific Ethics Rules

OGE's initial report found that all CIA employees were required to obtain prior approval to engage in any outside activity. The prior approval system included a requirement that each request be approved by an ethics official who reviews the outside activity for conflicts of interest. OGE recommended that CIA draft supplemental regulations to address the outside activities approval process as it relates to the requirement to receive approval from ethics officials subsequent to a conflict of interest analysis.

During OGE's follow-up review, OGE found CIA to have supplemental procedures in place. Furthermore, CIA ethics officials properly consulted and coordinated its supplemental regulation with OGE. CIA has taken appropriate action responsive to OGE's recommendation. Therefore, the recommendation is closed.

Based on our second follow-up review, OGE has determined that CIA has adequately implemented the five remaining recommendations from the May 2011 report. As a result, OGE has closed these recommendations. Thank you for your assistance during the follow-up process. Please contact me at 202-482-9317 if you require any additional information.

Sincerely,

Rashmi Bartlett

Rashmi Bartlett
Associate Director