ETHICS PROGRAM INSPECTION REPORT

Agency: Pension Benefit Guarantee Corporation

Report No.: 20-30I Date: June 4, 2020

Period Covered by Review: January 1, 2018 to September 30, 2019



1.0	AGENCY DATA	
	EMPLOYEES	
1.1	Number of full-time agency employees.	944
1.2	Number of Presidentially appointed, Senate-confirmed (PAS) public financial disclosure reports required to be filed.	2
1.3	Number of non-PAS public financial disclosure reports required to be filed.	47
1.4	Number of confidential financial disclosure reports required to be filed.	201
	ETHICS PROGRAM	
1.5	Title of Designated Agency Ethics Official (DAEO).	Deputy General Counsel
1.6	Grade level of DAEO.	SL
1.7	Title of Alternate DAEO (ADAEO).	Attorney
1.8	Grade level of ADAEO.	GS-15
1.9	Title of the primary, day-to-day ethics program administrator.	Attorney
1.10	Grade level of the primary, day-to-day ethics program administrator.	GS-15
1.11	Current number of full-time ethics officials.	5
1.12	Current number of part-time ethics officials.	0
1.13	Number of reporting levels between the DAEO and the agency head.	2
	COMMENTS	
	1.2: To assess the Pension Benefit Guaranty Corporation's (PBGC) public financial disclosure system C during calendar year 2019. PBGC's only PAS filer is the PBGC Director. During 2019 the outgoing Director was sworn in during 2019 and his new entrant report was processed by OGE.	

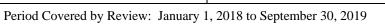
2.0	LEADERSHIP			
	COMPLIANCE REQUIREMENTS	Yes	No	N/A
2.1	OGE has received an up-to-date designation from the agency head naming the DAEO. See 5 C.F.R. § 2638.107(a).	\boxtimes		
2.2	OGE has received an up-to-date designation from the agency head naming the ADAEO. See 5 C.F.R. § 2638.107(a).	\boxtimes		
	COMMENTS			
	None.	•	•	

3.0	PUBLIC FINANCIAL DISCLOSURE (OGE Form 278e, OGE Form 278-T)			
	COMPLIANCE REQUIREMENTS	Yes	No	N/A
	The agency has written policies and procedures in place governing: See 5 U.S.C. app. IV, § 402(d)(1).			
3.1	Collection of public financial disclosure reports.	\boxtimes		
3.2	Review/evaluation of public financial disclosure reports.	\boxtimes		
3.3	Public availability of public financial disclosure reports.	\boxtimes		
3.4	The agency can demonstrate that late filing fees are collected or, where appropriate, waivers are issued when public filers do not timely file financial disclosure reports.			\boxtimes

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3.5	Public financial disclosure reports are securely maintained. See OGE/GOVT-1.	\boxtimes		
3.6	Public financial disclosure reports are retained in accordance with the retention requirements. <i>See</i> 5 C.F.R. § 2634.603(g)(1).	\boxtimes		
3.7	There is reasonable assurance that the lead human resources official or designee promptly (no later than 15 days after appointment) notifies the DAEO of all appointments to positions that require incumbents to file public financial disclosure reports. <i>See</i> 5 C.F.R. § 2638.105(a)(1).	\boxtimes		
3.8	There is reasonable assurance that the lead human resources official or designee promptly (no later than 15 days after termination) notified the DAEO of terminations of employees in positions that require incumbents to file public financial disclosure reports. <i>See</i> 5 C.F.R. § 2638.105(a)(2).	\boxtimes		
	DATA ANALYSIS		%	
3.9	Percentage of sampled non-PAS new entrant reports filed timely. See 5 C.F.R. § 2634.201(b).		75%	
3.10	Percentage of sampled non-PAS annual reports filed timely. See 5 C.F.R. § 2634.201(a).		97%	
3.11	Percentage of sampled non-PAS termination reports filed timely. See 5 C.F.R. § 2634.201(e).		100%	
3.12	Percentage of sampled non-PAS public financial disclosure reports reviewed within 60 days of receipt. <i>See</i> 5 C.F.R. § 2634.605(a).		100%	
3.13	Percentage of sampled non-PAS public financial disclosure reports certified within 60 days of receipt. <i>See</i> 5 C.F.R. § 2634.605(a).		95%	
3.14	Percentage of sampled PAS annual reports filed timely. See 5 C.F.R. § 2634.201(a).		N/A	
3.15	Percentage of sampled PAS termination reports filed timely. See 5 C.F.R. § 2634.201(e).		100%	
3.16	Percentage of sampled PAS annual and termination reports reviewed within 60 days of receipt. See 5 C.F.R. § 2634.605(a).		100%	
3.17	Percentage of sampled PAS annual and termination reports certified within 60 days of receipt. <i>See</i> 5 C.F.R. § 2634.605(a).	100%		
	COMMENTS			
	3.4: All public reports were filed timely, therefore, the agency did not have to waive or assess a late filing fee. 3.14: During 2019 the outgoing Director filed a combination report, rather than an annual report. OGE assessed the combination report as a termination report. The new Director was sworn in during 2019 and his new entrant report was processed by OGE.			

4.0	CONFIDENTIAL FINANCIAL DISCLOSURE			
	COMPLIANCE REQUIREMENTS	Yes	No	N/A
	The agency has written policies and procedures in place governing: See 5 U.S.C app. IV, § 402(d)(1).			
4.1	Collection of confidential financial disclosure reports.			
4.2	Review/evaluation of confidential financial disclosure reports.	\boxtimes		
4.3	Confidential financial disclosure reports are securely maintained. See OGE/GOVT-2.	\boxtimes		
4.4	Confidential financial disclosure reports are retained in accordance with the retention requirements. <i>See</i> 5 C.F.R. § 2634.604.			
4.5	The agency's OGE-approved alternative confidential financial disclosure system complies with plans approved by OGE. <i>See</i> 5 C.F.R. § 2634.905(a).			\boxtimes
4.6	There is reasonable assurance that the lead human resources official or designee promptly (no later than 15 days after appointment) notifies the DAEO of all appointments to positions that require incumbents to file confidential financial disclosure reports. <i>See</i> 5 C.F.R. § 2638.105(a)(1).		\boxtimes	



	DATA ANALYSIS	%
4.7	Percentage of sampled confidential new entrant reports filed timely. See 5 C.F.R. § 2634.903(b).	52%
4.8	Percentage of sampled confidential annual reports filed timely. See 5 C.F.R. § 2634.903(a).	95%
4.9	Percentage of sampled reports reviewed within 60 days of receipt. See 5 C.F.R. § 2634.605(a).	98%
4.10	Percentage of sampled confidential financial disclosure reports certified within 60 days of receipt. <i>See</i> 5 C.F.R. §§ 2634.605(a) and 2634.909(a).	98%
	COMMENTS	
	4.5: PBGC does not have an OGE-approved alternative financial disclosure system. 4.6-4.7: PBGC human resources notifies the ethics office of new onboarding employees on a bi-monthly basis and of pro and departing employees on a monthly basis. OGE's examination of a sample of confidential new entrant reports found to filed timely. The majority of the late filings occurred due to the elapsed time between when a filer was assigned to a filin human resources notified the ethics office of the assignment. There were also instances when an employee's assignment was identified only when the ethics office conducted its annual reconciliation of its master list of filers.	hat only 52% were g position and when

5.0	Notices to Prospective Employees				
	COMPLIANCE REQUIREMENTS	Yes	No	N/A	
	Written offers of employment for positions covered by the Standards of Conduct provide: See 5 C.F.R. § 2638.303.				
5.1	A statement regarding the agency's commitment to government ethics.	\boxtimes			
5.2	 Notice that the individual will be subject to the Standards of Conduct and the criminal conflict of interest statutes as an employee. 	\boxtimes			
5.3	 Contact information for an appropriate agency ethics office or an explanation of how to obtain additional information on applicable ethics requirements. 	\boxtimes			
5.4	Where applicable, notice of the time frame for completing initial ethics training.	\boxtimes			
5.5	 Where applicable, a statement regarding financial disclosure requirements and an explanation that new entrant reports must be filed within 30 days of appointment. 	\boxtimes			
5.6	The agency has established written procedures for issuing the notice to prospective employees. <i>See</i> 5 C.F.R. § 2638.303(c).	\boxtimes			
5.7	The agency's written procedures are reviewed by the DAEO each year. See 5 C.F.R. § 2638.303(c).	\boxtimes			
5.8	The agency can demonstrate that there is an effective process for ensuring all covered employees receive the required information with their written offer of employment. <i>See</i> 5 C.F.R. § 2638.303.	\boxtimes			
	COMMENTS				
	5.1-5.8: PBGC has established written procedures, which the DAEO reviews annually. However at the start of OGE's inspection PBGC informed OGE that it had not incorporated the language required by 5 C.F.R. § 2638.303 into the notices it sends. During the course of the inspection OGE's review of a sample of recently issued notices to prospective employees indicated that PBGC begun including the required language.				

6.0	Notices to New Supervisors					
	COMPLIANCE REQUIREMENTS	Yes	No	N/A		
	The agency must provide each employee upon initial appointment to a supervisory position with: See 5 C.F.R. § 2638.306.					
6.1	• Contact information for the agency's ethics office.	\boxtimes				
6.2	• The text of 5 C.F.R. § 2638.103.					



6.3	• A copy of, a hyperlink to, or the address of a Web site containing the Principles of Ethical Conduct.	\boxtimes		
6.4	Other information the DAEO deems necessary.	\boxtimes		
6.5	The agency has established written procedures for supervisory ethics notices. See 5 C.F.R. § 2638.306(d).	\boxtimes		
6.6	The agency's written procedures are reviewed by the DAEO each year. See 5 C.F.R. § 2638.306(d).	\boxtimes		
6.7	The agency can demonstrate that there is an effective process for ensuring that new supervisors receive the required information within one year of appointment. <i>See</i> 5 C.F.R. § 2638.306(b).	\boxtimes		
	COMMENTS			
	6.5: At the start of OGE's inspection PGGC had not established written procedures for supervisory ethics notices. PBGC procedures during the course of the inspection.	establ	ished th	e
7.0	Initial Ethics Training			
	COMPLIANCE REQUIREMENTS	Yes	No	N/A
		•		

7.0	Initial Ethics Training			
	COMPLIANCE REQUIREMENTS	Yes	No	N/A
	Each new employee of the agency subject to the Standards of Conduct must complete initial ethics training. See 5 C.F.R. § 2638.304.			
7.1	The training presentation(s) addressed concepts related to conflicts of interest, impartiality, misuse of position and gifts. <i>See</i> 5 C.F.R. § 2638.304(e)(1).	\boxtimes		
7.2	The agency provided new employees with either the following written materials or written instruction for accessing them: The summary of the Standards of Conduct distributed by the Office of Government Ethics or an equivalent summary prepared by the agency; provisions of any supplemental agency regulation that the DAEO determines to be relevant or a summary of those provisions; such other written materials as the DAEO determines should be included; instructions for contacting the agency's ethics officials. <i>See</i> 5 C.F.R. § 2638.304(e)(2).	\boxtimes		
7.3	The agency has established written procedures for initial ethics training. See 5 C.F.R. § 2638.304(f).	\boxtimes		
7.4	The agency's written procedures are reviewed by the DAEO each year. See 5 C.F.R. § 2638.304(f).	\boxtimes		
	DATA ANALYSIS		%	
7.5	Percentage of new employees who received initial ethics training. See 5 C.F.R. § 2638.304.		100%	
7.6	Percentage of new employees who received initial ethics training within three months of appointment. <i>See</i> 5 C.F.R. § 2638.304(b).	100%		
	COMMENTS			
	7.3 -7.4: At the start of OGE's inspection PGGC had not established written procedures for initial ethics training. PBGC procedures during the course of the inspection	edures for initial ethics training. PBGC established the		

8.0	Annual Ethics Training			
	COMPLIANCE REQUIREMENTS	Yes	No	N/A
	Each calendar year, public filers, confidential filers, and certain other employees must complete ethics training which meets specified requirements. <i>See</i> 5 C.F.R. §§ 2638.307 and 2638.308.			
8.1	The training presentation(s) addressed concepts related to financial conflicts of interest, impartiality, misuse of position and gifts. <i>See</i> 5 C.F.R. §§ 2638.307(e)(1) and 2638.308(f)(1).	\boxtimes		



8.2	The agency provided employees with either the following written materials or written instruction for accessing them: The summary of the Standards of Conduct distributed by the Office of Government Ethics or an equivalent summary prepared by the agency; provisions of any supplemental agency regulation that the DAEO determines to be relevant of a summary of those provisions; such other written materials as the DAEO determines should be included; instruction for contacting the agency's ethics officials. <i>See</i> 5 C.F.R. § 2638.304(e)(2).	or 🛛				
8.3	The agency's annual ethics training complies with the formatting requirements for public filers, confidential filers, are certain other employees. <i>See</i> 5 C.F.R. §§ 2638.307(d) and 2638.308(e).	d 🖂				
8.4	The agency's program for annual ethics training complies with the tracking requirements for public filers, confidential filers, and certain other employees. <i>See</i> 5 C.F.R. §§ 2638.307(f) and 2638.308(g).					
8.5	The agency can demonstrate it has an effective process for ensuring covered public filers, other than those whose pay is set at Level I or Level II of the Executive Schedule, complete live annual ethics training at least once every two years. <i>See</i> 5 C.F.R. § 2638.308(e)(2).					
	DATA ANALYSIS	Train	ing Forn	nat		
		Live	Inter	ractive		
	Percentage of public filers who completed annual ethics training before the end of the calendar year. <i>See</i> 5 C.F.R. § 2638.308(a).					
8.6	• Executive Schedule Level I and Level II. See 5 C.F.R. § 2638.308(e)(1).	N/A	N	I/A		
8.7	• Other PAS and Equivalent. See 5 C.F.R. § 2638.308(e)(2).	100%	N	J/A		
8.8	• SES and Equivalent. See 5 C.F.R. § 2638.308(e)(3).	98%	2	2%		
	Percentage of confidential filers and certain other employees who completed annual ethics training before the end of the calendar year. <i>See</i> 5 C.F.R. § 2638.307(a)(d).					
8.9	 Employees required to file an annual confidential financial disclosure report. See 5 C.F.R. § 2638.307(a)(1). 	93%	4	5%		
8.10	• Employees appointed by the President. See 5 C.F.R. § 2638.307(a)(2).	N/A	N	J/A		
8.11	• Employees of the Executive Office of the President. See 5 C.F.R. § 2638.307(a)(2).	N/A	N	J/A		
8.12	• Contracting officers described in 41 U.S.C. § 2101. See 5 C.F.R. § 2638.307(a)(3).	N/A	N	J/A		
8.13	• Other employees designated by the head of the agency. See 5 C.F.R. § 2638.307(a)(4).	90%	3	3%		
	COMMENTS	·				
	8.6: PBGC does not employ any Executive Schedule Level I or Level II officials. 8.7 - 8.8: OGE's examination of PBGC's annual training completion records indicated that the single PAS at the agency received one-on-one training and 41 out of 42 (98%) non-PAS public filers received live training either one-on-one or in groups and the remaining non-PAS public filer received interactive training. 8.9: PBGC's annual training completion records indicated that 172 of the agency's 185 (93%) confidential financial disclosure report filers received live training, 9 (5%) received interactive training, and 3 (2%) did not receive annual ethics training during the period covered by the inspection. 8.13: PBGC's annual training completion records indicated that 85 of the agency's 94 (90%) other designated employees received live training, 3 (3%) received interactive training, and 6 (6%) did not receive annual ethics training during the period covered by the inspection. (Percentages rounded.)					

9.0	ETHICS ADVICE AND COUNSELING			
	COMPLIANCE REQUIREMENT	Yes	No	N/A
9.1	Based on a sample collected by OGE, guidance provided by agency ethics officials to employees appears to be consistent with applicable laws and regulations. <i>See</i> 5 C.F.R. § 2638.104(c)(4).	\boxtimes		
	COMMENTS			



None		

10.0	Special Government Employees (SGE) Serving on Advisory Committees and Boards						
	Confidential Financial Disclosure						
10.1	Number of SGEs serving on Advisory Committees and Boards.			7			
	DATA ANALYSIS	%					
10.2	Percentage of sampled confidential new entrant reports filed timely. See 5 C.F.R. § 2634.903(b).	0%					
10.3	Percentage of sampled reports reviewed within 60 days of receipt but not later than the SGE's first meeting. See 5 C.F.R. § 2634.605(a).	0%					
10.4	Percentage of sampled reports certified within 60 days of receipt. See 5 C.F.R. § 2634.605(a).	100%					
	Ethics Training						
	COMPLIANCE REQUIREMENTS	Yes	No	N/A			
	Required ethics training must be provided to each SGE. See 5 C.F.R. §§ 2638.304 and 2638.307.						
10.5	The training presentation(s) addressed concepts related to conflicts of interest, impartiality, misuse of position and gifts. <i>See</i> 5 C.F.R. § 2638.304(e)(1).	\boxtimes					
10.6	The agency provided employees with either the following written materials or written instruction for accessing them: The summary of the Standards of Conduct distributed by the Office of Government Ethics or an equivalent summary prepared by the agency; provisions of any supplemental agency regulation that the DAEO determines to be relevant or a summary of those provisions; such other written materials as the DAEO determines should be included; instructions for contacting the agency's ethics officials. <i>See</i> 5 C.F.R. § 2638.304(e)(2).	\boxtimes					
	DATA ANALYSIS	%					
10.7	Percentage of SGEs who received initial ethics training. See 5 C.F.R. § 2638.304.	100%					
10.8	Percentage of SGEs who received initial ethics training timely. See 5 C.F.R. § 2638.304(b)(2).	100%					
10.9	Percentage of SGEs who received annual ethics training. See 5 C.F.R. § 2638.307(d)(2).	100%					
	COMMENTS						
	10.2: OGE regulations at 5 C.F.R. § 2634.903(b)(3) require that SGEs appointed to serve on an advisory committee must report before any advice is rendered by the employee to the agency, or in no event, later than the first committee meeting permitted to grant extensions that exceed this deadline. OGE found that SGEs filed their reports within the period allowe extension granted by ethics officials, however, the reports were filed after the SGEs' first meeting and were, therefore, no According to PBGC ethics officials, this occurred because PBGC instituted cybersecurity controls that required its electrodisclosure system users to have official PBGC email addresses, which SGEs had not previously had, and correcting this is in granting the SGEs access to that electronic financial disclosure system.	e meeting. Agencies are not iod allowed by a filing erefore, not filed timely.					

ISSUES IDENTIFIED AND RESOLVED DURING THE INSPECTION				
Element	ent ISSUE			
5.1 – 5.8	ISSUE: At the start of OGE's inspection PBGC's notices to prospective employees did not include the language required by 5 C.F.R. § 2638.303. AGENCY RESPONSE: During the course of the inspection OGE's review of a sample of recently issued notices to prospective employees indicated that PBGC begun including the required language.			

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Agency: Pension Benefit Guarantee Corporation

Report No.: 20-30I Date: June 4, 2020

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6.5	ISSUE: At the start of OGE's inspection PBGC did not establish written procedures for sending the notices to new supervisors required by 5 C.F.R. § 2638.306(d). AGENCY RESPONSE: During the course of the inspection PBGC established written procedures for sending notices to new supervisors.
7.3	ISSUE: At the start of OGE's inspection PBGC did not establish written procedures for initial ethics training required by 5 C.F.R. § 2638.304(f) AGENCY RESPONSE: During the course of the inspection PBGC established written procedures for initial ethics training.

	RECOMMENDATION(S)			
#	Element	RECOMMENDATION	Compliance Due	
1	4.6 – 4.7	RECOMMENDATION: Develop and implement steps which eliminate/shorten the lags in human resources' notification to the ethics office of assignments to filing positions and improve confidential new entrant report filing timeliness. AGENCY RESPONSE: PBGC's Human Resources Department (HRD) was not sending timely notifications of assignments to filing positions. PBGC's ethics office has worked with HRD, and HRD committed to sending notifications of assignments to filing positions on a bimonthly basis, which will improve confidential new entrant report filing timeliness.	11/1/2020	
2	10.2	RECOMMENDATION: Ensure that SGE financial disclosure reports are filed and reviewed to identify and avoid conflicts of interest. prior to the SGEs' first annual committee meeting. AGENCY RESPONSE: The Agency has taken steps to adopt the recommendation. The delay in submissions during the reporting period resulted from the Agency's implementation of cybersecurity controls around a number of systems, including FDonline, and the need to create a mechanism for SGEs to have access to FDonline consistent with those controls. That issue has now been resolved by providing SGEs with official PBGC email addresses, and this issue should not result in delays going forward.	11/1/2020	