

ETHICS PROGRAM REVIEW FOLLOW-UP REPORT

Agency: Department of Labor (DOL)

Follow-up to OGE Report Number: 20-45

Report No.: 22-32F

Date: May 24, 2022

**UNITED STATES OFFICE OF
GOVERNMENT ETHICS**Preventing Conflicts of Interest
in the Executive Branch

As a result of its review of the DOL ethics program, the Office of Government Ethics (OGE) issued six recommendations in its September 2020 review report. OGE conducted a follow-up review to assess whether DOL has taken sufficient action to resolve the deficiencies underlying these recommendations. OGE expressed concern that DOL had not yet finalized written procedures for providing required notices to prospective employees and new supervisors and administering the initial ethics training program. Ethics officials confirmed that draft written procedures have been submitted for formal approval through DOL's review process. OGE encouraged ethics officials to do what they could to expedite final approval. The results of the follow-up review are summarized below.

	Recommendation	Agency Action and OGE Finding	Status
1	Update written procedures and associated templates for issuing notices to prospective employees to include the required ethics-related information.	<u>Agency Response:</u> DOL ethics officials advised OGE that, "updates to the procedures are in the development process." <u>OGE Finding:</u> DOL did not provide written procedures as requested for OGE's review, which prevents the closure of this recommendation. OGE's examination of DOL's notice template found that it did not meet relevant content requirements. The template failed to specify that initial ethics training must be completed within 90 days of the employee's date of appointment.	Open
2	Ensure that prospective employees receive the required notice of their ethics responsibilities with their written offer of employment.	<u>Agency Response:</u> DOL provided OGE with a sample of actual notices to prospective employees. <u>OGE Finding:</u> It was unclear whether the sample notices provided to OGE together with their associated links provided all required content. OGE will examine the final version of DOL's written procedures and templates to assess their compliance with relevant requirements.	Open

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3	Update written procedures and associated templates for issuing notices to new supervisors to include the required ethics-related information.	<p><u>Agency Response:</u> DOL ethics officials advised OGE that, “Standard operating procedures (SOP) is nearly complete, but have not been vetted yet”</p> <p><u>OGE Finding:</u> OGE will not close this recommendation until it has reviewed the final version of DOL’s procedures and associated templates and determined they are in compliance with applicable requirements.</p>	Open
4	Establish written procedures for initial ethics training.	<p><u>Agency Response:</u> DOL ethics officials advised OGE that, “updates to the procedures are in the development process.”</p> <p><u>OGE Finding:</u> OGE will not close this recommendation until it has reviewed the final version of DOL’s procedures and associated templates and determined they are in compliance with applicable requirements.</p>	Open
5	Ensure that the DAEO reviews the initial ethics training procedures annually.	<p><u>Agency Response:</u> DOL ethics officials advised OGE that, “DOL did not have a DAEO for the majority of 2021 due to the Presidential Transition. The ADAEO reviewed the procedures and process with OASAM.”</p> <p><u>OGE Findings:</u> DOL did not provide written procedures during OGE’s 2020 plenary review and did not provide written procedures for this 2022 follow-up review. Because OGE has been unable to examine written procedures covering initial ethics training, it is impossible to determine whether the ADAEO’s annual review sufficiently fulfilled the annual review requirement.</p>	Open

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6 Ensure that SGEs file confidential disclosure reports, as required.

Open

Agency Response:

DOL stated that SGEs serving on the Advisory Committee on Veterans Employment, Training, and Employer Outreach (ACVETEO) experienced significant technical issues when trying to digitally sign their reports, while the inability to physically enter DOL offices due to COVID was an additional hindrance.

OGE Findings:

OGE's initial review found that DOL had not been collecting required confidential financial disclosure reports from the SGEs serving on ACVETEO. The SGEs serving on this committee are generally appointed to three-year terms. ACVETEO's Designated Federal Officer (DFO) was unaware of the filing requirement. Once apprised of the requirement, the DFO collected reports from ACVETEO's SGEs between June and September 2020. OGE was completing its review as DOL was collecting the reports, and; therefore, OGE decided to examine the reports as part of a larger follow-up review to assess DOL's progress in addressing deficiencies identified during the initial review.

OGE requested copies of the confidential financial disclosure reports filed in 2020 as part of its follow-up review. DOL ethics officials acknowledged that some SGEs had technical issues that prevented them from digitally signing their reports. The reports were originally sent to OGE as a single PDF file via email. Some of the reports OGE received had apparently been corrupted in transmission. For instance, the filer names on two reports did not match the signatures. As a result, DOL ethics officials resent copies of the reports individually as separate PDF files. Five of the reports OGE received did not include the filer's signature. This prevented an accurate assessment of whether all of the SGEs serving on ACVETEO had completed reports as required.

OGE requested an additional sample of more recently filed confidential financial disclosure reports. However, DOL advised OGE that the ethics office did not collect any additional reports from these SGEs in 2021 or in 2022 despite the fact that the SGE's met to conduct business in January 2022.

DOL noted that new members will be appointed to ACVETEO soon. OGE will conduct an additional follow-up review to assess DOL's compliance with applicable requirements.

Based on the results of OGE's follow-up review, all recommendations remain open. OGE will conduct an additional follow-up review in approximately 6 months to assess whether DOL has taken sufficient action to resolve the deficiencies underlying the recommendations which remain open.