



September 21, 2017

Melinda Loftin
Designated Agency Ethics Official
Department of the Interior
1849 C Street, NW
MS 7346
Washington, DC 20240

Dear Ms. Loftin:

As a result of its review of the Department of the Interior (DOI) ethics program, the Office of Government Ethics (OGE) issued 14 recommendations in its June 2016 program review report. OGE recently conducted a follow-up review to determine whether DOI has taken sufficient action to resolve the deficiencies underlying the recommendations. The results of the follow-up review are summarized below.

	Recommendation	Agency Action and OGE Findings	Status
1	Update DOI's financial disclosure written procedures to include guidance on the collection, review, evaluation, and public availability of periodic transaction reports.	DOI updated its financial disclosure written procedures to include guidance on the collection, review, evaluation, and public availability of periodic transaction reports.	Closed
2	Improve filing timeliness of new entrant public financial disclosure reports.	Filing timeliness has improved from 48% to 64% based on OGE's review of a sample of reports. Improvement is still needed.	Open
3	Improve filing timeliness of termination public financial disclosure reports.	Filing timeliness remained unchanged at 75% based on OGE's review of a sample of reports. Improvement is still needed. According to DOI ethics officials, DOI anticipates that automated, daily filing notices sent to filers and OGE's guidance on early collection of termination reports will improve filing timeliness.	Open
4	Improve filing timeliness of new entrant confidential financial disclosure reports.	Filing timeliness has improved from 40% to 53%, based on OGE's review of a sample of reports. Improvement is still needed.	Open

Report No. 17-42F



5	<p>Develop and provide evidence of concrete measures taken to improve new entrant filing timeliness as a result of Departmental Ethics Office's coordination with HR offices.</p>	<p>According to DOI officials, among DOI's challenges to new entrant filing timeliness are notifications of new filers provided to the ethics office from three different human resources offices who each have their own processes and procedures.</p> <p>DOI therefore undertook several actions to improve new entrant confidential financial disclosure filing timeliness, including:</p> <ol style="list-style-type: none">1) Obtaining from each human resource office quarterly rather than annual reports showing all employees and their filing designations.2) Obtaining new employee information every two weeks from two of the three human resources offices.3) Continuing ongoing efforts to obtain new employee information every two weeks from the third human resource office.4) Instituting communications between ethics officials and human resources officials about new entrant filing notifications.5) Issuing guidance to human resources officers on notifying new supervisors and prospective employees of ethics commitments and responsibilities. <p>The causes for the late filings that were cited in OGE's June 2016 program review report continued to affect the reports OGE sampled during the follow-up review. OGE recognizes that additional time may be necessary to evaluate the effectiveness of actions undertaken to improve report filing timeliness. Therefore, this recommendation, along with recommendations 2 through 4, will remain open until OGE can more fully evaluate DOI's efforts to improve filing timeliness.</p>	Open
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6	If the DOI-specific conflict of interest prohibitions cited in the original request to OGE for a supplement are still a concern, ensure that the supplement to the confidential financial disclosure form, including the instruction on asset reporting thresholds, are provided to confidential report filers.	DOI now provides the supplemental form to employees during annual ethics training. In addition, DOI stated that it is working with its electronic filing system contractor to incorporate the supplemental form in the system.	Closed
7	Review the hard copy financial disclosure reports and destroy any reports that exceed the retention period that are not needed for an ongoing investigation.	DOI performed a review of its hard copy financial disclosure records and destroyed those records exceeding the retention period and not needed for an ongoing investigation.	Closed
8	Include estimates of the number of employees expected to receive verbal and written annual ethics training in future annual ethics training plans.	Recent revisions to applicable regulations eliminated the requirement this recommendation was issued to enforce.	Closed
9	Provide annual ethics training to all covered employees.	<p>While annual training completion for public filers improved from 64% to 87%, training completion for confidential filers only improved from 60% to 68%. OGE will therefore conduct an additional follow-up review to assess the training completion for confidential filers.</p> <p>According to DOI officials, DOI expects training completion for confidential filers to improve for the following reasons:</p> <ol style="list-style-type: none"> 1) During 2017 DOI has conducted 23 webinars and live training sessions, with more scheduled for the rest of the year, in addition to making available the on-line interactive training. 	Open

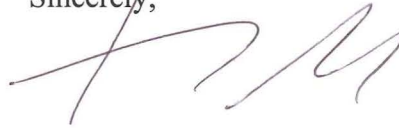
		<p>2) DOI will notify supervisors of employees who have not taken training.</p> <p>3) DOI has created and added on-line, interactive training classes to its enterprise-wide learning management system , with the goal that all employees will be required to take the appropriate training.</p>	Open
10	Correct the SGE designation process to ensure that all SGEs are properly identified.	DOI updated relevant procedures to help ensure all SGEs are properly identified. The procedures include coordination between the ethics office, the human resources office, and the office responsible for designating SGEs.	Closed
11	Ensure SGE financial disclosure reports are filed in a timely manner and properly maintained.	<p>DOI could not confirm whether two of the eight SGE reports selected for examination during the follow up were filed as required. Additionally, three of the selected reports were filed late. OGE will therefore conduct an additional follow-up review to evaluate SGE financial disclosure report filing timeliness.</p> <p>According to DOI officials, DOI anticipates improved SGE filing timeliness because of continued communication with Office of the Secretary to ensure that SGEs file their reports as required. This communication includes notification of late filings. Additionally, the headquarters ethics office has taken over the responsibility for managing the headquarters SGE program to improve filing timeliness.</p>	Open
12	Ensure SGE financial disclosure reports are certified in a timely manner.	OGE's examination of the SGE financial disclosure reports found that all filed reports were certified timely.	Closed
13	Ensure that ethics training is provided to all SGEs.	OGE verified that all SGEs received the required training.	Closed
14	Ensure that ethics training for SGEs meets the content requirements of 5 C.F.R. § 2638.704(b).	DOI's updated SGE training material met the content requirements for the period covered by the follow-up review.	Closed

Ms. Melinda Loftin

Page 5

I appreciate the courtesies extended to the OGE program review staff. OGE will perform a second follow-up to assess the status of the remaining open recommendations. If you would like to discuss the report, please contact me at 202-482-9224.

Sincerely,

A handwritten signature in dark ink, appearing to be 'Dale Christopher', written in a cursive style.

Dale Christopher
Deputy Director for Compliance