

ETHICS PROGRAM INSPECTION REPORT

Agency: Office of Management and Budget (OMB)

Report No.: 23-111

Date: February 6, 2023

Period Covered by Review: January 1, 2021 through December 31, 2022

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

1.0	AGENCY DATA	
	EMPLOYEES	
1.1	Number of full-time agency employees.	678
1.2	Number of Presidentially appointed, Senate-confirmed (PAS) public financial disclosure reports required to be filed.	3
1.3	Number of non-PAS public financial disclosure reports required to be filed.	170
1.4	Number of confidential financial disclosure reports required to be filed.	756
	ETHICS PROGRAM	
1.5	Title of Designated Agency Ethics Official (DAEO).	Deputy General Counsel
1.6	Grade level of DAEO.	SES
1.7	Title of Alternate DAEO (ADAEO).	Assistant General Counsel
1.8	Grade level of ADAEO.	GS-15
1.9	Title of the primary, day-to-day ethics program administrator.	Administrative Support Specialist (Legal)
1.10	Grade level of the primary, day-to-day ethics program administrator.	GS-12
1.11	Current number of full-time ethics officials.	4
1.12	Current number of part-time ethics officials.	2
1.13	Number of reporting levels between the DAEO and the agency head.	2
	COMMENTS	
	1.4 This number includes reports filed by detailees who are assigned to OMB. However, OMB was not able to determine how many reports were filed by employees and how many were filed by detailees.	

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. <i>See</i> 5 C.F.R. § 2638.107(a).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2	OGE has received an up-to-date designation from the agency head naming the ADAEO. <i>See</i> 5 C.F.R. § 2638.107(a).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	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: <i>See</i> 5 U.S.C. app. IV, § 402(d)(1).			
3.1	• Collection of public financial disclosure reports.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.2	• Review/evaluation of public financial disclosure reports.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.3	• Public availability of public financial disclosure reports.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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3.5	Public financial disclosure reports are securely maintained. <i>See</i> OGE/GOVT-1.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DATA ANALYSIS		%		
3.9	Percentage of sampled non-PAS new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(b).	88%		
3.10	Percentage of sampled non-PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).	98%		
3.11	Percentage of sampled non-PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).	93%		
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).	99%		
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).	93%		
3.14	Percentage of sampled PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).	100%		
3.15	Percentage of sampled PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).	N/A		
3.16	Percentage of sampled PAS annual and termination reports reviewed within 60 days of receipt. <i>See</i> 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				
	3.15: No termination PAS reports were required to be filed during the period covered by the inspection.			

4.0	CONFIDENTIAL FINANCIAL DISCLOSURE			
	COMPLIANCE REQUIREMENTS	Yes	No	N/A
	The agency has written policies and procedures in place governing: <i>See</i> 5 U.S.C app. IV, § 402(d)(1).			
4.1	• Collection of confidential financial disclosure reports.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.2	• Review/evaluation of confidential financial disclosure reports.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.3	Confidential financial disclosure reports are securely maintained. <i>See</i> OGE/GOVT-2.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4	Confidential financial disclosure reports are retained in accordance with the retention requirements. <i>See</i> 5 C.F.R. § 2634.604.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DATA ANALYSIS		%		
4.7	Percentage of sampled confidential new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(b).	100%		

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4.8	Percentage of sampled confidential annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(a).	84%
4.9	Percentage of sampled reports reviewed within 60 days of receipt. <i>See</i> 5 C.F.R. § 2634.605(a).	85%
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).	83%
COMMENTS		
4.8: Four of the 25 annual confidential reports OGE examined were filed between 29 and 122 days late. 4.9-4.10: OMB attributed the delay in review and certification to a shortage of ethics staff due to a position vacancy and temporary absence of staff member. The staff member has returned and the vacant position has been filled.		

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: <i>See</i> 5 C.F.R. § 2638.303.			
5.1	<ul style="list-style-type: none"> A statement regarding the agency's commitment to government ethics. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.2	<ul style="list-style-type: none"> Notice that the individual will be subject to the Standards of Conduct and the criminal conflict of interest statutes as an employee. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.3	<ul style="list-style-type: none"> Contact information for an appropriate agency ethics office or an explanation of how to obtain additional information on applicable ethics requirements. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.4	<ul style="list-style-type: none"> Where applicable, notice of the time frame for completing initial ethics training. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.5	<ul style="list-style-type: none"> Where applicable, a statement regarding financial disclosure requirements and an explanation that new entrant reports must be filed within 30 days of appointment. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.7	The agency's written procedures are reviewed by the DAEO each year. <i>See</i> 5 C.F.R. § 2638.303(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMENTS				
5.6-5.7: OMB updated the agency's written procedures during the course of OGE's inspection to fully comply with requirements.				

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: <i>See</i> 5 C.F.R. § 2638.306.			
6.1	<ul style="list-style-type: none"> Contact information for the agency's ethics office. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2	<ul style="list-style-type: none"> The text of 5 C.F.R. § 2638.103. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.3	<ul style="list-style-type: none"> A copy of, a hyperlink to, or the address of a Web site containing the Principles of Ethical Conduct. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.4	<ul style="list-style-type: none"> Other information the DAEO deems necessary. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.5	The agency has established written procedures for supervisory ethics notices. <i>See</i> 5 C.F.R. § 2638.306(d).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.6	The agency's written procedures are reviewed by the DAEO each year. <i>See</i> 5 C.F.R. § 2638.306(d).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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6.5-6.6: OMB updated the agency's written procedures during the course of OGE's inspection to fully comply with requirements.

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 5 C.F.R. § 2638.304(e)(1).</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 5 C.F.R. § 2638.304(e)(2).</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.3	The agency has established written procedures for initial ethics training. <i>See 5 C.F.R. § 2638.304(f).</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.4	The agency's written procedures are reviewed by the DAEO each year. <i>See 5 C.F.R. § 2638.304(f).</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATA ANALYSIS**%**

7.5	Percentage of new employees who received initial ethics training. <i>See 5 C.F.R. § 2638.304.</i>	100%
7.6	Percentage of new employees who received initial ethics training within three months of appointment. <i>See 5 C.F.R. § 2638.304(b).</i>	98%

COMMENTS

None.

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. *See 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 5 C.F.R. §§ 2638.307(e)(1) and 2638.308(f)(1).</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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 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 5 C.F.R. § 2638.304(e)(2).</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8.3	The agency's annual ethics training complies with the formatting requirements for public filers, confidential filers, and certain other employees. <i>See 5 C.F.R. §§ 2638.307(d) and 2638.308(e).</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 5 C.F.R. §§ 2638.307(f) and 2638.308(g).</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 5 C.F.R. § 2638.308(e)(2).</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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DATA ANALYSIS		Training Format	
		Live	Interactive
	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. <i>See</i> 5 C.F.R. § 2638.308(e)(1).	100%	
8.7	• Other PAS and Equivalent. <i>See</i> 5 C.F.R. § 2638.308(e)(2).	100%	
8.8	• SES and Equivalent. <i>See</i> 5 C.F.R. § 2638.308(e)(3).	39%	57%
	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. <i>See</i> 5 C.F.R. § 2638.307(a)(1).	N/A	N/A
8.10	• Employees appointed by the President. <i>See</i> 5 C.F.R. § 2638.307(a)(2).	N/A	N/A
8.11	• Employees of the Executive Office of the President. <i>See</i> 5 C.F.R. § 2638.307(a)(2).	N/A	100%
8.12	• Contracting officers described in 41 U.S.C. § 2101. <i>See</i> 5 C.F.R. § 2638.307(a)(3).	N/A	N/A
8.13	• Other employees designated by the head of the agency. <i>See</i> 5 C.F.R. § 2638.307(a)(4).	N/A	N/A
COMMENTS			
<p>8.1: In the interactive 2020 Annual Ethics Training slides, which OMB reused for 2021 ethics training, the concept of misuse of position was not addressed.</p> <p>8.2: Ethics officials stated that they referred employees to the OMB Ethics Portal on several occasions during the year, including when inviting employees to IET and AET. They also noted that, although that Portal includes the required written materials and written instruction for accessing them, they were not individually attached or linked in the most recent AET invitation email. The links that OGE observed noted that employees should click on the link to certify that they had completed training or that they could “learn more about your ethics requirements.” There was no notice that the link would give them access to a summary of the Standards of Conduct. Constructively, employees were not provided a link to a summary of the Standards of Conduct.</p> <p>8.8, 8.11: OMB stated that the agency has not conducted separate live annual ethics training since 2019. However, all new public and some confidential financial disclosure report filers attended initial ethics training which was conducted live and met the requirement for live annual ethics training. OGE did not seek to identify which employees received live training, but was satisfied that all employees received training that at least qualified as interactive.</p> <p>8.9-8.13 Employees may be in more than one category, however; all OMB employees are within the Executive Office of the President and are therefore only included at 8.11.</p>			

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. See 5 C.F.R. § 2638.104(c)(4).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	COMMENTS			
	None.			

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10.1	Number of SGEs serving on Advisory Committees and Boards.	1
	DATA ANALYSIS	%
10.2	Percentage of sampled confidential new entrant reports filed timely. <i>See 5 C.F.R. § 2634.903(b).</i>	0%
10.3	Percentage of sampled reports reviewed within 60 days of receipt but not later than the SGE's first meeting. <i>See 5 C.F.R. § 2634.605(a).</i>	0%
10.4	Percentage of sampled reports certified within 60 days of receipt. <i>See 5 C.F.R. § 2634.605(a).</i>	0%

Ethics Training

	COMPLIANCE REQUIREMENTS	Yes	No	N/A
	Required ethics training must be provided to each SGE. <i>See 5 C.F.R. §§ 2638.304 and 2638.307.</i>			
10.5	The training presentation(s) addressed concepts related to conflicts of interest, impartiality, misuse of position and gifts. <i>See 5 C.F.R. § 2638.304(e)(1).</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 5 C.F.R. § 2638.304(e)(2).</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	DATA ANALYSIS	%		
10.7	Percentage of SGEs who received initial ethics training. <i>See 5 C.F.R. § 2638.304.</i>	N/A		
10.8	Percentage of SGEs who received initial ethics training timely. <i>See 5 C.F.R. § 2638.304(b)(2).</i>	N/A		
10.9	Percentage of SGEs who received annual ethics training. <i>See 5 C.F.R. § 2638.307(d)(2).</i>	0%		

COMMENTS

(10.2-10.4, 10.6, 10.9) OMB had one SGE during the period covered by the inspection. The SGE did not file the required new entrant confidential disclosure report in 2021 and did not receive all required materials or instructions for access them in 2022.

(10.6) Ethics officials stated that OMB refers employees to the OMB Ethics Portal on several occasions during the year, including when inviting employees to IET and AET. They also noted that, although that Portal includes the required written materials and written instruction for accessing them, they were not individually attached or linked in the most recent AET invitation email. The links that OGE observed noted that employees should click on the link to certify that they had completed training or that they could "learn more about your ethics requirements." There was no notice that the link would give them access to a summary of the Standards of Conduct. Constructively, employees were not provided a link to a summary of the Standards of Conduct.

ISSUES IDENTIFIED AND RESOLVED DURING THE INSPECTION

Element	ISSUE
(3.1)	<p><u>ISSUE:</u> OMB did not have collection of public new entrant reports in the agency's required written procedures for administering the public financial disclosure system prior to OGE's inspection. The written procedures were updated during the inspection.</p> <p><u>The AGENCY RESPONSE:</u> OMB has had a written procedure for collecting public new entrant reports for quite some time. During OGE's inspection, those procedures were updated in connection with some observations by OGE.</p>

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	<p><u>OGE COMMENT:</u> OGE acknowledges that OMB's written procedures did discuss collection of new entrant filers. However the procedures did not document that new entrant reports must be filed within 30 days of the date the filer entered their position (absent an extension). The amended procedures OMB provided during the course of the inspection met applicable requirements.</p> <p>OGE emphasizes the importance of comprehensive written procedures, in part, because they help provide continuity to an agency's ethics program. This is particularly important in the event that an agency's experienced ethics officials are not available and newly appointed ethics officials with little or no knowledge of ethics program requirements become responsible for administering the program.</p>
(4.1)	<p><u>ISSUE:</u> OMB did not provide for the collection of confidential new entrant reports in the agency's required written procedures for administering the confidential financial disclosure system prior to OGE's inspection. The written procedures were updated during the inspection.</p> <p><u>AGENCY RESPONSE:</u> OMB has had a written procedure for collecting confidential new entrant reports for quite some time. During OGE's inspection, those procedures were updated in connection with some observations by OGE.</p> <p><u>OGE COMMENT:</u> OGE acknowledges that OMB's written procedures did discuss collection of new entrant filers. However the procedures did not document that new entrant reports must be filed within 30 days of the date the filer entered their position (absent an extension). The amended procedures OMB provided during the course of the inspection met applicable requirements.</p>
(5.6-5.7)	<p><u>ISSUE:</u> OMB did not include required information in its written procedures for providing notices to prospective employees prior to OGE's inspection. The written procedures were updated during the inspection.</p> <p><u>AGENCY RESPONSE:</u> OMB has had a written procedure for providing ethics notices to prospective employees for quite some time. That procedure included reference to the form of the notice which included all requirements. During OGE's inspection, that procedure was updated to include the contents of the notice in the procedure itself in addition to the referenced notice format.</p> <p><u>OGE COMMENT:</u> The "written procedures" OMB initially provided to OGE consisted of a statement that:</p> <p style="padding-left: 40px;">All offer letters contain the information the agency is required to give new employees and new supervisors. The letters reference the 14 principles, a summary of the standards of conduct, a summary of the conflict of interest statutes, and the OMB supplemental ethics regulation governing outside employment activities.</p> <p>The procedures provided also included a link to the new employee notice.</p> <p>Written procedures must also include an explanation of how ethics officials will be made aware of new employees, who is responsible for sending the letters, and how those letters will be provided. The amended procedures OMB provided during the course of the inspection met applicable requirements.</p>
(6.5-6.6)	<p><u>ISSUE:</u> OMB did not include required information in its written procedures for providing notices to new supervisors prior to OGE's inspection. The written procedures were updated during the inspection.</p> <p><u>AGENCY RESPONSE:</u> OMB has had a written procedure for providing ethics notices to prospective supervisor for quite some time. That procedure included reference to the form of the notice which included all requirements. During OGE's inspection, that procedure was updated to include the contents of the notice in the procedure itself in addition to the referenced notice format.</p> <p><u>OGE COMMENT:</u> OMB stated that the written procedures initially provided to OGE to document the process for sending notices to prospective employees also served as the written procedures for providing notices to new supervisors. The amended procedures OMB provided during the course of the inspection met applicable requirements.</p>

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RECOMMENDATIONS		
#	Element	RECOMMENDATION
1	8.1	<p><u>RECOMMENDATION:</u> Ensure annual ethics training presentation addresses concepts related to misuse of position.</p> <p><u>AGENCY RESPONSE:</u> OMB agrees with this recommendation and has already implemented it. Annual ethics training must contain content on a variety of topics. OMB's most recent annual trainings contained guidance on the Standards of Ethical Conduct, conflicts of interest, gifts, outside employment and activities, impartiality in performing official duties, seeking outside employment and the Hatch Act. This training mistakenly omitted a section on misuse of position. Misuse of position has been covered in all initial ethics training and prior annual ethics training. Misuse of position is also included in 2023 annual training which has already been developed.</p> <p><u>OGE COMMENT:</u> OGE will conduct a follow-up review to determine if the actions OMB has taken are sufficient to resolve the deficiencies underlying its recommendations.</p>
2	(10.2-10.4)	<p><u>RECOMMENDATION:</u> Ensure that SGEs file confidential disclosure reports, as required.</p> <p><u>AGENCY RESPONSE:</u> OMB agrees with this recommendation, and has already implemented it. OMB currently does not have any SGEs. Between January 2020 and February 2022, OGE had a single SGE that was not included in OMB's annual financial disclosure and training processes (though the SGE filed a new entrant financial disclosure report in 2020). OMB has adopted a new written procedure which requires that new SGE employees be assigned financial disclosure reports promptly upon arrival and that SGE employees continuing from a prior year be included in OMB's annual financial interest disclosure program.</p> <p><u>OGE COMMENT:</u> OGE will conduct a follow-up review to determine if the actions OMB has taken are sufficient to resolve the deficiencies underlying its recommendations.</p>
3	(10.6-10.9)	<p><u>RECOMMENDATION:</u> Ensure SGEs receive ethics training that complies with content requirements each year.</p> <p><u>AGENCY RESPONSE:</u> OMB agrees with this recommendation, and has already implemented it. OMB currently does not have any SGEs. Between January 2020 and February 2022, OGE had a single SGE that was not included in OMB's annual training processes (though the SGE completed initial ethics training in 2020). OMB has adopted a new written procedure which requires that new SGE employees be provided training promptly upon arrival and that SGE employees continuing from a prior year either take OMB's general annual ethics training or be provided annual training focused on SGE obligations during the same period as annual ethics training.</p> <p><u>OGE COMMENT:</u> OGE will conduct a follow-up review to determine if the actions OMB has taken are sufficient to resolve the deficiencies underlying its recommendations.</p>