

ETHICS PROGRAM INSPECTION REPORT

Agency: U.S. Arctic Research Commission (USARC)

Report No.: 21-471

Date: September 28, 2021

Period Covered by Review: January 1, 2020 through July 1, 2021

**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.	4
1.2	Number of Presidentially appointed, Senate-confirmed (PAS) public financial disclosure reports required to be filed.	0
1.3	Number of non-PAS public financial disclosure reports required to be filed.	1
1.4	Number of confidential financial disclosure reports required to be filed.	0
	ETHICS PROGRAM	
1.5	Title of Designated Agency Ethics Official (DAEO).	Executive Director
1.6	Grade level of DAEO.	SES
1.7	Title of Alternate DAEO (ADAEO).	Communications Specialist
1.8	Grade level of ADAEO.	13
1.9	Title of the primary, day-to-day ethics program administrator.	Communications Specialist
1.10	Grade level of the primary, day-to-day ethics program administrator.	13
1.11	Current number of full-time ethics officials.	0
1.12	Current number of part-time ethics officials.	2
1.13	Number of reporting levels between the DAEO and the agency head.	1
	COMMENTS	
	<p>(1.1) USARC had three employees during most of the period covered by the inspection. This included the Executive Director, the Deputy Director, and the Communications Specialist. USARC hired an attorney in May 2021 bringing the total number of full-time employ to four.</p> <p>(1.3) USARC does not have any PAS officials. It is comprised of seven Commissioners appointed by the President and the Director of the National Science Foundation, who serves as a non-voting, ex officio member. The seven Commissioners consist of four members appointed from academic or research institutions who have expertise in areas of research relating to the Arctic, two members appointed from private industry undertaking commercial activities in the Arctic, and one member appointed from among the indigenous residents of the Arctic. The President designates one of the Commissioners to be chairperson. The Commissioners may be compensated for their services, but are not considered employees of the Federal government, per 15 U.S.C. part 4102. In addition to the Commissioners, advisors are appointed on an as-needed basis to provide information and advice on particular research needs and issues of concern to the Commissioners. These advisors are also not considered Federal government employees, per 15 U.S.C. part 4105.</p> <p>(1.4) The Executive Director/DAEO is USARC’s only public financial disclosure filer. The DAEO’s report is initially reviewed by the agency’s ADAEO and is then forwarded to OGE for a final review and certification.</p> <p>(1.5) USARC has historically had no employees who are required to file confidential financial disclosure reports. During the period under review, USARC had no confidential filers.</p>	

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)			

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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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
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).	N/A				
3.10	Percentage of sampled non-PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).	0%				
3.11	Percentage of sampled non-PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).	N/A				
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).	100%				
3.14	Percentage of sampled PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).	N/A				
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).	N/A				
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).	N/A				
COMMENTS						
<p>(3.0) (3) OGE is currently reassessing how ethics-related provisions should be applied to ex-officio Board/Commission members. If necessary, OGE will address any new requirements relevant to USARC during the program review follow-up process.</p> <p>(3.4, 3.10) The DAEO is USARC's only public filer. OGE examined the DAEO annual report and found that it was filed 44 days after the due date. Therefore, the agency must either collect or waive the applicable late filing fees.</p> <p>(3.7, 3.8) USARC has a full-time staff of four employees. The DAEO also serves as USARC's Executive Director and is involved in all personnel actions. This includes appointments to positions that require incumbents to file confidential or public financial disclosure reports and terminations from positions that require incumbents to file public reports.</p>						

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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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4.2	• Review/evaluation of confidential financial disclosure reports.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4.3	Confidential financial disclosure reports are securely maintained. <i>See</i> OGE/GOVT-2.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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).	N/A			
4.8	Percentage of sampled confidential annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(a).	N/A			
4.9	Percentage of sampled reports reviewed within 60 days of receipt. <i>See</i> 5 C.F.R. § 2634.605(a).	N/A			
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).	N/A			
COMMENTS					
(4.1-4.10) USARC has historically had no employees who were required to file confidential financial disclosure reports. As a result, written procedures governing the confidential financial disclosure system have not been needed. However, should this change in the future, USARC ethics officials are aware of the requirement to develop such procedures.					
(4.5) USARC does not have an OGE-approved alternative confidential financial disclosure system					

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	• A statement regarding the agency's commitment to government ethics.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5.2	• 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	• 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	• Where applicable, notice of the time frame for completing initial ethics training.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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.	<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"/>	

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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				
	(5.8) USARC had one new hire in 2021. The new employee received the required notification with his written offer of employment, however, the notice did not include contact information for ethics officials. USARC's Executive Director contacted USARC's contracted HR service and requested their template be used for all prospective employees. The new notification template includes all the required information.			

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	• Contact information for the agency's ethics office.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6.2	• The text of 5 C.F.R. § 2638.103.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6.3	• A copy of, a hyperlink to, or the address of a Web site containing the Principles of Ethical Conduct.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6.4	• Other information the DAEO deems necessary.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
COMMENTS				
	(6.7) No USARC employee received an initial appointment to a supervisory position during the period covered by the inspection. OGE was unable to independently assess whether USARC's written procedures would provide for an effective process for ensuring that new supervisors receive the required information within one year of appointment.			

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. <i>See</i> 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).	<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</i> 5 C.F.R. § 2638.304(e)(2).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.3	The agency has established written procedures for initial ethics training. <i>See</i> 5 C.F.R. § 2638.304(f).	<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</i> 5 C.F.R. § 2638.304(f).	<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</i> 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%		

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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. *See* 5 C.F.R. §§ 2638.307(e)(1) and 2638.308(f)(1).☒☐☐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. *See* 5 C.F.R. § 2638.304(e)(2).☒☐☐8.3 The agency's annual ethics training complies with the formatting requirements for public filers, confidential filers, and certain other employees. *See* 5 C.F.R. §§ 2638.307(d) and 2638.308(e).☒☐☐8.4 The agency's program for annual ethics training complies with the tracking requirements for public filers, confidential filers, and certain other employees. *See* 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. *See* 5 C.F.R. § 2638.308(e)(2).☒☐☐**DATA ANALYSIS****Training Format****Live****Interactive**Percentage of public filers who completed annual ethics training before the end of the calendar year. *See* 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/A

8.7 • Other PAS and Equivalent. *See* 5 C.F.R. § 2638.308(e)(2).

N/A

N/A

8.8 • SES and Equivalent. *See* 5 C.F.R. § 2638.308(e)(3).

100%

NA

Percentage of confidential filers and certain other employees who completed annual ethics training before the end of the calendar year. *See* 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).

N/A

N/A

8.10 • Employees appointed by the President. *See* 5 C.F.R. § 2638.307(a)(2).

N/A

N/A

8.11 • Employees of the Executive Office of the President. *See* 5 C.F.R. § 2638.307(a)(2).

N/A

N/A

8.12 • Contracting officers described in 41 U.S.C. § 2101. *See* 5 C.F.R. § 2638.307(a)(3).

N/A

N/A

8.13 • Other employees designated by the head of the agency. *See* 5 C.F.R. § 2638.307(a)(4).

100%

N/A

COMMENTS

(8.6-8.13) There were three agency employees required to receive AET during the period covered by the inspection. All three received the required training.

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(9.1) No written advice or counseling was requested or provided during the period covered by the inspection.

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.

N/A

DATA ANALYSIS**%**10.2 Percentage of sampled confidential new entrant reports filed timely. *See* 5 C.F.R. § 2634.903(b).

N/A

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).

N/A

10.4 Percentage of sampled reports certified within 60 days of receipt. *See* 5 C.F.R. § 2634.605(a).

N/A

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. *See* 5 C.F.R. § 2638.304(e)(1).☐☐☒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. *See* 5 C.F.R. § 2638.304(e)(2).☐☐☒**DATA ANALYSIS****%**10.7 Percentage of SGEs who received initial ethics training. *See* 5 C.F.R. § 2638.304.

N/A

10.8 Percentage of SGEs who received initial ethics training timely. *See* 5 C.F.R. § 2638.304(b)(2).

N/A

10.9 Percentage of SGEs who received annual ethics training. *See* 5 C.F.R. § 2638.307(d)(2).

N/A

COMMENTS

(10.1-10.9) USARC members are not considered government employees according to the statute that created the agency.

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ISSUES IDENTIFIED AND RESOLVED DURING THE INSPECTION

Element	ISSUE
(3.6)	<p><u>ISSUE:</u> Agency stated that they had a few public financial disclosure reports older than six years old. OGE auditor informed DAEO of the requirement to destroy records older than six years unless they are being retained for an authorized purpose.</p> <p><u>AGENCY RESPONSE:</u> Reports older than six years will be destroyed..</p>

RECOMMENDATIONS

#	Element	RECOMMENDATION	Compliance Due
1	(3.4)	<u>RECOMMENDATION:</u> Assess or waive the late filing fee for USARC's one public filer who did not submit their 2020 report until June 28, 2021. See 5 CFR § 2634.704(a)(b).	
2	(3.10)	<u>RECOMMENDATION:</u> Ensure the DAEO's public financial disclosure report is filed timely. See 5 C.F.R. § 2634.605(a)	

GENERAL AGENCY COMMENTS

(3.4, 3.10) The DAEO stated that he submitted his report well before the date it was due. However, the report was inadvertently submitted using the wrong version of the report form and had to be resubmitted. The time it took to realize the wrong version of the report had been submitted and discussions to determine that an entirely new report would have to be completed and submitted led to the second submission occurring after the filing deadline.