

UNITED STATES OFFICE OF
GOVERNMENT ETHICS



December 19, 2018

Stuart Bender
Designated Agency Ethics Official
U.S. Department of Agriculture
1400 Independence Avenue, SW
Whitten Building, Room 347-W
Washington, DC 20250

Dear Mr. Bender:

As a result of its review of the U.S. Department of Agriculture's (USDA) ethics program, the Office of Government Ethics (OGE) issued five recommendations in its November 2017 review report. OGE recently conducted a follow-up review to assess whether USDA has taken sufficient action to resolve the deficiencies underlying these recommendations. The results of the follow-up review are summarized below.

	Recommendation	Agency Action and OGE Finding	Status
1	Ensure that new entrant public financial disclosure reports are filed and certified timely.	OGE examined a sample of new entrant public financial disclosure reports during its initial review and found that 64% were filed timely and 32% were certified timely. In response to OGE's findings, USDA committed to certifying reports in a timely fashion. OGE reviewed a sample of new entrant public financial disclosure reports during its follow-up review and found that 82% of the reports examined were filed timely and 75% were certified timely.	Closed
2	Ensure that new entrant confidential financial disclosure reports are filed and certified timely.	OGE examined a sample of new entrant confidential financial disclosure reports during its initial review and found that 24% were filed timely and 52% were certified timely. OGE reviewed a sample of new entrant confidential financial disclosure reports during its follow-up review and found	Closed

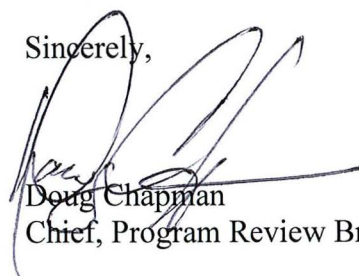


		that 88% of the reports examined were filed timely and 90% were certified timely.	
3	Ensure that new entrant confidential financial disclosure reports filed by all Special Government Employee (SGE) advisory committee members are filed timely.	<p>OGE examined six new entrant confidential reports during its initial review of the Federal Crop Insurance Corporation Board members and found that 50% were not filed timely.</p> <p>OGE reviewed the five new entrant confidential reports filed in 2018 and found that 100% were filed timely and 80% were certified timely.</p>	Closed
4	Assess whether any Farm Service Agency State Committee SGE members whose 2016 confidential reports were deleted held any financial interests that conflicted with their committee duties in 2016. Provide OGE with a written report on this assessment.	<p>OGE initially tried to sample new entrant confidential reports filed by the Farm Service Agency State Committee members. An Office of Ethics (OE) staff member had mistakenly deleted 163 of the 211 confidential reports housed in USDA's electronic filing system.</p> <p>According to OE officials, corrective actions were taken to ensure inappropriate deletion does not occur again. OE asked the FDonline system contractor to modify the filing system to prevent deletion of certified reports. Procedural safeguards include the requirement that a report must be first uncertified by the DAEO or the ADAEO before it can be deleted. Once uncertified, the DAEO or ADAEO may delete the report or delegate staff members to perform the task. OE was able to document that none of the SGEs whose reports were mistakenly deleted had conflicts of interest. These findings were provided to OGE in a memorandum.</p>	Closed
5	Ensure that new entrant confidential financial disclosure reports filed by all SGE advisory committee members are certified timely.	OGE examined three confidential reports filed by SGE members of the Farm Service Agency State Committee during its initial review and found that	Open

	<p>all three were filed timely. However, all three were certified late.</p> <p>OGE reviewed a sample of 32 reports filed in 2018 during its follow-up review and found that only 6 (19%) were filed timely. All of the reports were certified timely.</p> <p>USDA ethics officials explained that they did not receive timely notification of the SGEs' appointments. This led to delays in getting Committee Members registered in the FDonline system. OGE is leaving this recommendation open to assess USDA's efforts to ensure that reports are filed, reviewed, and certified timely. OGE will conduct an additional follow-up review in four to six months from the date of this follow-up or when enough new entrant reports have been filed to make an assessment feasible.</p>	
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I appreciate the courtesies extended to the OGE program review staff. If you would like to discuss the report, please contact me at 202-482-9223.

Sincerely,



Doug Chapman
Chief, Program Review Branch