UNITED STATES OFFICE OF
GOVERNMENT ETHICS

Ethics Program Review

United States Department of Commerce

Report No. 26-48
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The United States Office of Government Ethics (OGE) conducted a review of the ethics program administered within the United States Department of Commerce (DOC)[1] from February through May 2026. The review covered program activities for calendar year 2025. The following summarizes the results of that review.

Contents

Objectives, Scope and Methodology

Objectives: OGE provides leadership and oversight of the executive branch ethics program designed to prevent and resolve conflicts of interest. The Ethics in Government Act gives OGE the authority to evaluate the effectiveness of executive agency ethics programs.[2] OGE uses this evaluation authority largely to conduct reviews of agency ethics programs. The purpose of a review is to identify and report on the strengths and weaknesses of an ethics program by evaluating (1) agency compliance with ethics requirements as set forth in relevant laws, regulations, and policies, and (2) ethics-related systems, processes, and procedures for administering the program.

Scope: OGE's review examined all elements of the Department of Commerce (DOC)'s ethics program including program administration, financial disclosure, education and training, ethics advice and counseling, conflict remedies, enforcement, and special government employees.

Methodology: OGE examined a variety of documents provided by DOC ethics officials, including the DOC response to OGE's 2025 Annual Agency Ethics Program Questionnaire, written procedures for administering the ethics program, samples of public and confidential financial disclosure reports filed in 2025, ethics training materials, and a sample of the ethics advice and counsel provided to employees. In addition, OGE clarified with ethics officials the information gathered and followed up on issues identified during the review.

[1] DOC is organized into 13 bureaus.
[2] *See* 5 U.S.C. § 13122 (formerly 5 U.S.C. app. § 402); 5 C.F.R. § 2638.

Agency Background

The DOC describes its mission as "to create the conditions for economic growth and opportunity for all communities." The Department works to drive U.S. economic competitiveness, strengthen domestic industry and spur the growth of quality jobs in all communities across the country.

Program Administration

The DOC administers a centralized ethics program through the Office of the Assistant General Counsel for Ethics Law and Program (AGC-ELP). This encompasses all bureaus and offices. The Deputy General Counsel for Administration serves as the Designated Agency Ethics Official (DAEO). The Alternate Designated Agency Ethics Official (ADAEO) is the Assistant General Counsel for Ethics Law & Program and assists the DAEO in the management and oversight of the ethics program. The DAEO and ADAEO are assisted by deputy ethics officials, attorney advisors and ethics program specialists to provide ethics advice, training and managing the financial disclosure systems.

The Office of the Inspector General (OIG) has delegated authority to administer certain elements of the Department's ethics program, including collecting, reviewing, and certifying confidential financial disclosure reports. The OIG program is fully integrated into the centralized ethics program, and AGC-ELP monitors electronic filings to ensure timely compliance. AGC-ELP also maintains oversight of all reports and training records to ensure agency-wide adherence to applicable ethics requirements.

Challenges

DOC ethics officials indicated that during the review period, the ethics program experienced significant leadership turnover, with three changes in senior leadership occurring within a five-month span. These transitions required repeated shifts in management focus and priorities, as well as impacts to the continuity in program oversight.

DOC ethics officials also indicated that in addition to attrition among AGC-ELP's ethics officials, the ethics program was impacted by staffing challenges amongst Human Resources (HR) personnel resulting in reduced staffing capacity to consistently administer ethics related HR functions. As a result, established processes, including the timely identification of new entrant filers, were temporarily disrupted.

However, ethics officials indicated that new leadership took proactive steps to stabilize operations and maintain program continuity. Interim mitigation measures were implemented, including the redistribution of workloads, cross-training of staff to expand functional coverage, and enhanced collaboration throughout the Department and other Executive Branch ethics programs. Leadership also established deputy and team lead roles to monitor workload demands and process effectiveness to sustain compliance with applicable ethics program requirements.

Financial Disclosure

Title I of the Ethics in Government Act requires that agencies administer public and confidential financial disclosure systems. Financial disclosure serves to prevent, identify, and resolve conflicts of interest by providing for a systematic review of the financial interests of officers and employees. The financial disclosure process also offers an opportunity for ethics officials to provide ethics-related counseling to report filers.

To evaluate the DOC financial disclosure systems, OGE evaluated the required written procedures for administering the systems and a sample of public and confidential financial disclosure reports required to be filed by employees.

Financial Disclosure Written Procedures

Each executive branch agency must establish written procedures for collecting, reviewing, evaluating, and where applicable, making available to the public, financial disclosure reports filed by the agency's officers and employees.[3] OGE examined DOC's written financial disclosure procedures and determined they met applicable requirements.

Notices to the DAEO

Agency HR offices play a vital role in ensuring the effective administration of the ethics program. Without the necessary information about agency employees, ethics officials cannot successfully carry out their important work. Among other things, the lead HR official is required to notify the DAEO of all appointments to positions that require incumbents to file public or confidential financial disclosure reports no later than 15 days after the appointment.[4] The lead HR official must also notify the DAEO of terminations of employees in positions that require incumbents to file public financial disclosure reports no later than 15 days after termination.[5] This supports the timely collection of financial disclosure reports.

<u>Notices for Public Financial Disclosure Filers</u>

Ethics officials reported that, generally, HR officials promptly notify AGC-ELP of all appointments to positions that require incumbents to file public financial disclosure reports. HR officials also notify AGC-ELP upon the termination of employees occupying positions that require the filing of public financial disclosure reports. OGE reviewed a sample of HR notifications to AGC-ELP and found that they were sent within 15 days of the filer's appointment or termination as applicable.

<u>Notices for Confidential Financial Disclosure Filers</u>

The *Human Resources Bulletin No. 267* (Bulletin) sets forth procedures governing HR notifications to AGC-ELP regarding the appointment and termination of incumbents required to

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[3] *See* 5 U.S.C. § 13122(d)(1).
[4] *See* 5 C.F.R. 2638.105(a)(1)
[5] *See* 5 C.F.R. § 2638.105(a)(1) and (2).

file confidential financial disclosure reports. According to the Bulletin, HR officials must notify AGC-ELP in every instance when an individual is appointed to a position that requires filing a Confidential Financial Disclosure Report (OGE 450). This notification should be made prior to appointment but no later than 15 days after appointment, in accordance with 5 CFR 2634.904. OGE reviewed a sample of HR notifications to AGC-ELP and found that they were sent within 15 days of the confidential filer's appointment.

Public Financial Disclosure

Within 30 days of assuming a covered public filing position, an individual must file a public financial disclosure report.[6] The individual must subsequently file an annual report by May 15 each year and a termination report within 30 days of departing the public filing position.[7] The reports are required to be reviewed for potential conflicts of interest and certified within 60 days of receipt by the ethics office, unless additional information is being sought from the filer or remedial action is being taken.[8]

To evaluate the administration of the public financial disclosure system administered within DOC, OGE examined 118 public reports filed by DOC employees to determine whether they had been collected, reviewed and certified as required. Table 1 below presents the results of OGE's examination.

Table 1. OGE's Examination of DOC Public Financial Disclosure Reports

	New Entrant	Annual	Termination	Total
Reports Examined	35	35	48	118
Filed Timely	31 (89%)	35 (100%)	44 (92%)	110 (93%)
Reviewed within 60 days of receipt	32 (91%)	32 (91%)	45 (94%)	109 (92%)
Certified within 60 Days	23 (66%)	28 (80%)	44 (92%)	95 (81%)

As noted in Table 1, OGE's review found that 110 (93%) of the public reports were filed timely, 109 (92%) were reviewed timely and 95 (81%) certified within 60 days. DOC ethics officials stated that some reports were reviewed and certified after more than 60 days because of additional information requested during the initial review and/or remedial action taken. Additionally, according to DOC ethics officials, the Deferred Resignation Program (DRP) and the Voluntary Early Retirement Authority (VERA) departures throughout the calendar year created reduction in personnel and increased workload.

[6] *See* 5 C.F.R. § 2634.201(b).
[7] *See* 5 C.F.R. § 2634.201(a) and (e).
[8] *See* 5 C.F.R. § 2634.605.

Model Practice

OGE identifies model practices and shares them when it appears they may benefit other executive branch agency ethics programs. OGE considers the following to be a model practice implemented at DOC:

• AGC-ELP implemented Pay.gov as an electronic payment solution for public financial disclosure filers to pay assessed late filing fees. This innovation replaced a manual, paper-based process that required filers to submit checks and staff to track, safeguard, deposit, and reconcile payments.

Confidential Financial Disclosure

Within 30 days of assuming a covered confidential filing position, an individual must file a confidential financial disclosure report.[9] The individual must also subsequently file an annual report by February 15 each year.[10] The reports are required to be reviewed for potential conflicts of interest and certified within 60 days of receipt by the ethics office. Final certification may, as a necessity, occur later, when additional information is requested of the filer or remedial action is being taken.[11]

OGE examined a sample of 80 confidential financial disclosure reports filed in 2025 to determine whether they had been collected, reviewed, and certified as required. Table 2 below presents the results of OGE's examination.

Table 2. OGE's Examination of DOC Confidential Financial Disclosure Reports

	New Entrant		Annual		Total	
Reports Examined	40		40		80	
Filed Timely	27	(68%)	39	(98%)	66	(83%)
Reviewed within 60 days of receipt	30	(75%)	32	(80%)	62	(78%)
Certified within 60 Days	30	(75%)	32	(80%)	62	(78%)

As noted in Table 2, OGE's review found that 66 (83%) of the reports were filed timely. However, only 68% of the new entrant reports were filed timely. Ethics officials explained that some of the reports were filed late in part because HR officials notified AGC-ELP later than 15 days after the new filers' appointment date. Additionally, three filers onboarded during the government shutdown (October 1, 2025 – November 12, 2025) and AGC-ELP was furloughed due to lapse of appropriations.

[9] *See* 5 C.F.R. § 2634.903(b).
[10] *See* 5 C.F.R. § 2634.903(a).
[11] *See* 5 C.F.R. § 2634.605(a).

Additionally, as noted in Table 2, OGE's review found that 62 (78%) reports were reviewed timely and certified within 60 days. Ethics officials indicated that some reports were reviewed and certified more than 60 days due to additional information requested of filers and reductions in personnel and increased workload due to DRP and VERA departures throughout the calendar year.

Recommendation

1. Ensure that new entrant confidential disclosure reports are filed timely.
2. Ensure that confidential disclosure reports are reviewed and certified timely.

Education and Training

Each executive branch agency is responsible for maintaining a compliant government ethics education program. An ethics education program is essential to raising awareness among employees about applicable ethics laws and rules and the availability of agency ethics officials to provide ethics counseling. The training program must include: briefings for certain Presidentially appointed, Senate-confirmed (PAS) employees; notices for prospective employees and newly appointed supervisors regarding their ethics-related obligations; initial ethics training for new employees; and annual ethics training for public and confidential financial disclosure report filers and certain other employees.[12]

Ethics Briefing for Certain Agency Leaders

Certain PAS officials must complete an ethics briefing to discuss their immediate ethics obligations no later than 15 days after their appointment, unless the DAEO grants an extension. Any extension of more than 15 days requires the DAEO to make a written determination that extraordinary circumstances make it necessary to provide the briefing at a later date.[13]

According to ethics officials, each PAS official at DOC received an ethics briefing by AGC-ELP as part of their onboarding process. In 2025, all seven PAS officials received ethics briefing within 15 days of their appointment.

Notices to Prospective Employees

Written offers of employment for positions covered by the Standards of Ethical Conduct for Employees of the Executive Branch (Standards of Conduct) must include: a statement regarding the agency's commitment to government ethics; notice that the individual will be subject to the Standards of Conduct and the criminal conflict of interest statutes; information on how to obtain additional information on applicable ethics requirements; and, where applicable,

[12] *See* 5 C.F.R. Part 2638 Subpart C.
[13] *See* 5 C.F.R. § 2638.305.

notice of the time frame for completing initial ethics training and information regarding the filing of new entrant financial disclosure reports.[14]

OGE examined the procedures established by DOC AGC-ELP to provide notices to prospective employees and a sample of notices that were sent to prospective employees in 2025. Based on this examination, OGE determined that there was reasonable assurance that prospective employees within DOC receive the required information along with their written offers of employment.

Notices to New Supervisors

An agency must provide each employee upon initial appointment to a supervisory position with certain written materials within one year of appointment. The written materials must include: contact information for the agency's ethics office and the text of the regulation specifying the government ethics responsibilities of supervisors;[15] a copy of, a hyperlink to, or the address of a web site containing the Principles of Ethical Conduct; and such other information as the DAEO deems necessary for new supervisors.[16]

OGE examined the procedures and the samples used by DOC to provide new supervisors with the required written materials. Based on this examination, OGE determined that there was reasonable assurance that new supervisors within DOC receive the required information.

Initial Ethics Training

Each new employee subject to the Standards of Conduct must complete initial ethics training (IET) within three months of appointment, unless excluded by the DAEO. The training must be interactive and focus on government ethics laws and regulations that the DAEO deems appropriate. The training must address: financial conflicts of interest, impartiality, misuse of position, and gifts. In addition to the training presentation, the agency must provide the employee with either written copies of or written instructions for accessing: the summary of the Standards of Conduct distributed by OGE or an equivalent summary prepared by the agency; provisions of the agency's supplemental regulations or a summary thereof, as determined appropriate by the DAEO; and, instructions for contacting the agency's ethics office.[17]

AGC-ELP has three different IET presentations for USPTO, general DOC employees, and PAS IET. OGE has examined the content of all three and found they have met applicable content requirements. New employees are provided with a copy of the IET presentation slides via email after the training that includes a link to DOC Ethics Law and Program website.

[14] *See* 5 C.F.R. § 2638.303.
[15] *See* 5 C.F.R. § 2638.103.
[16] *See* 5 C.F.R. § 2638.306.
[17] *See* 5 C.F.R. § 2638.304(e)(2).

Written Procedures for Initial Ethics Training

Agencies are required to establish written procedures for, among other things, initial ethics training, which the DAEO must review each year.[18] Further, in agencies with 1,000 or more employees, any office that is not under the supervision of the DAEO, but has been delegated responsibility for issuing notices or conducting training, must submit the following materials to the DAEO by January 15 each year: a written summary of procedures that office has established to ensure compliance with initial ethics training requirements; and written confirmation that there is a reasonable basis for concluding that the procedures have been implemented.[19]

OGE reviewed the DOC AGC-ELP SOP for IET and determined the written procedures have met requirements for ensuring training, delivery methods, and tracking compliance. Moreover, OGE determined of the 826 DOC employees required to receive IET in 2025, 100% received it within three months of their appointment, as required.

Annual Ethics Training for Public Filers

Generally, live training must be provided each calendar year to each employee whose pay is set at Level I or Level II of the Executive Schedule. Live training must also be provided to other employees who are required to file public financial disclosure reports every other year, with interactive training provided in the intervening years. The training presentation, whether live or interactive, must focus on government ethics laws and regulations that the DAEO deems appropriate and must address financial conflicts of interest, impartiality, misuse of position, and gifts. In addition to the training presentation, the agency must provide the employee with either written copies of or written instructions for accessing: the summary of the Standards of Conduct distributed by OGE or an equivalent summary prepared by the agency; provisions of the agency's supplemental regulations or a summary thereof, as determined appropriate by the DAEO; and, instructions for contacting the agency's ethics office.[20]

OGE examined the training materials and determined they met applicable content requirements. In 2025, virtual lectures via Microsoft Teams were provided to public filers throughout the department to satisfy the annual training requirement. Written materials and training presentation slides were also provided to public filers to keep via email after training. According to Commerce's response to OGE's 2025 Annual Questionnaire, and OGE's examination of Commerce's training database, 571 of 727 public filers had received annual training by the end of 2025. However, of the 727 public filers, only 615 registered. DOC ethics officials stated that the other 112 public filers may have departed due to DRP, VERA, VSIP, retirement, or did not register at all.

[18] *See* 5 C.F.R. § 2638.304(f).
[19] *See* 5 C.F.R. § 2638.310.
[20] *See* 5 C.F.R. § 2638.308.

Recommendation

3. Ensure that the annual ethics training program complies with tracking requirements for public filers.

Annual Ethics Training for Confidential Filers and Certain other Employees

Generally, interactive training must be provided each calendar year to employees who are required to file a confidential financial disclosure report pursuant to 5 C.F.R. § 2638.307(a); employees appointed by the President and employees of the Executive Office of the President; contracting officers; and other employees designated by the head of the agency. The training presentation must focus on government ethics laws and regulations that the DAEO deems appropriate and must address financial conflicts of interest, impartiality, misuse of position, and gifts. In addition to the training presentation, the agency must provide the employee with either written copies of or written instructions for accessing: the summary of the Standards of Conduct distributed by OGE or an equivalent summary prepared by the agency; provisions of the agency's supplemental regulations or a summary thereof, as determined appropriate by the DAEO; and, instructions for contacting the agency's ethics office.[21]

In 2025, AGC-ELP made a computer-based ethics training presentation available to all confidential filers via Commerce's Learning Center Portal to satisfy the annual training requirement for confidential filers. OGE examined the training materials and determined that the training met applicable content requirements.

According to Commerce's response to OGE's Annual Questionnaire, 14,961 confidential filers were required to receive annual ethics training in 2025. Of these confidential filers, Commerce reported that 14,738 (98.5%) received the training by the end of 2025.

Ethics Counseling

The DAEO is required to ensure that a counseling program for agency employees concerning ethics and Standards of Conduct matters, including post-employment matters, is developed and conducted.[22] The DAEO may delegate to one or more deputy ethics officials the responsibility for developing and conducting the counseling program.[23]

OGE reviewed a sample of counseling and advice ethics officials provided to the DOC's employees. The advice examined addressed a variety of topics such as the criminal conflict-of-interest statutes, misuse of position, post-employment, impartiality and gifts. The advice appeared to be responsive to the questions asked, timely and is consistent with applicable laws and regulations.

[21] *See* 5 C.F.R. § 2638.307(e)(2).
[22] *See id.* § 2638.104(c).
[23] *See id*. § 2638.104(e).

Conflict Remedies

The criminal conflict of interest law prohibits an employee from participating in an official capacity in a particular matter in which he or she has a financial interest.[24] Congress included two provisions that permit an agency to issue a waiver of this prohibition in individual cases. Agencies must consult with OGE, where practicable, prior to issuing such a waiver.[25] DOC issued three waivers in 2025. DOC consulted with OGE prior to the issuance of one waiver. DOC did not consult OGE prior to issuing the other two waivers. One waiver was issued during the government lapse in appropriations. DOC consulted OGE as soon as practicable. The second waiver was issued without consulting OGE.

Additionally, the Ethics in Government Act expressly recognizes the need for PAS nominees to address actual or apparent conflicts of interest by requiring written notice of the specific actions to be taken in order to alleviate the conflict of interest,[26] commonly known as an "ethics agreement." OGE determined that during the period under review, all applicable requirements were met.

Enforcement

Executive branch offices are required to notify OGE when they refer a potential violation of a conflict-of-interest law to the Department of Justice (DOJ).[27] DOC reported no disciplinary actions based wholly or in part upon violations of the criminal conflict of interest statutes (18 U.S.C. §§ 203, 205, 207, 208, and 209) and no disciplinary actions based wholly or in part upon violations of the Standards (5 C.F.R.§ 2635).

DOC made one referral to DOJ in 2025. DOC notified OGE of this referral.

Special Government Employees

A special government employee (SGE) is an officer or employee of the executive or legislative branch retained, designated, appointed, or employed to perform official duties, full-time or intermittently, for not more than 130 days in any 365-day period. SGEs are required to file financial disclosure reports and receive ethics training.[28]

DOC had 14 committees of SGEs that conducted meetings in 2025. In order to evaluate the ethics services provided to SGEs, OGE reviewed the financial disclosure and ethics training services provided to the Advisory Committee on Earthquake Hazards Reduction (ACEHR), and to the FirstNet Authority Board (FirstNet) in 2025.

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[24] *See* 18 U.S.C. § 208.
[25] *See* Exec. Order No. 12,674, § 102, 54 Fed. Reg. 15,159 (Apr. 14, 1989), as modified by Exec. Order No. 12,731, 55 Fed. Reg. 42,547 (Oct. 19, 1990); 5 CFR § 2640 subpt. C.
[26] *See* 5 U.S.C. § 13111.
[27] *See* 5 C.F.R. § 2638.206.
[28] *See* 18 U.S.C. § 202(a).

ACEHR

ACEHR included 13 SGE members in 2025. ACEHR conducted a meeting in 2025 that was attended by 12 members.

Financial Disclosure

The ACEHR members are required to file new entrant confidential financial disclosure reports (OGE Form 450). OGE examined the 13 reports filed by members in 2025. OGE determined that 12 reports were filed timely and all were filed before the committee's meeting. All the reports were reviewed and certified timely.

Ethics Training

ACEHR SGE members received ethics training during the committee's meeting in 2025. OGE reviewed the content of the slide presentation and determined that it met applicable content and format requirements.

FirstNet

The FirstNet board consisted of 10 members in 2025.

Financial Disclosure

FirstNet SGE Board members file New Entrant confidential financial disclosure reports (OGE Form 450) upon appointment and continue to submit a New Entrant confidential financial disclosure report (OGE Form 450) each year until they meet the 60-day service threshold within any 365-day period following their appointment or appointment anniversary date. The members met the 60-day service threshold in 2025 and were required to file new entrant public financial disclosure reports.

OGE reviewed the seven new entrant, three annual and one termination public financial disclosure reports that the members were required to file in 2025 to determine whether they had been collected, reviewed, and certified as required. OGE found that 10 (91%) of the reports were filed timely. However, only three (27%) of the reports were reviewed and certified timely. Three of the reports were not certified at the time of OGE's examination. DOC ethics officials explained that they were seeking additional information from the filers to complete their review of the reports. According to DOC ethics officials, the timeliness of certification was impacted by both delayed email responses from the filer and the ethics official's competing priorities.

Recommendation

4. Ensure that the public financial disclosure reports filed by the FirstNet members are reviewed and certified within 60 days of receipt.

Ethics Training

Ten FirstNet members were required to receive ethics training in 2025. OGE found that seven members received ethics training in 2025. However, the remaining three members failed to receive ethics training.

OGE reviewed the content of the ethics training provided to the members and determined that it met applicable content and format requirements.

Recommendation

5. Ensure that the FirstNet members receive annual training in 2026.

Agency Comments

The U.S. Department of Commerce (DOC) appreciates the comprehensive review by the U.S. Office of Government Ethics (OGE), as well as the opportunity to strengthen the Department's ethics program. We are focused on making the DOC's ethics program easier for employees to navigate and more consistent across the Department by strengthening governance, modernizing training operations, and ensuring we provide timely, clear ethics advice. We appreciate OGE's recognition of the Department's efforts, to include the model practice highlighted in the Ethics Program Review. In response to OGE's recommendations, we will tighten annual ethics training logistics and tracking for public filers by reconciling rosters, using automated reminders, and improving completion reporting. We will also ensure all FirstNet members receive annual ethics training in 2026 through calendar-based scheduling, direct outreach, and real time tracking. Beyond training, we are updating and standardizing counseling templates and FAQs for topics employees ask about most (i.e., impartiality, gifts, misuse of position, post-government employment restrictions) and reinforcing early consultation with OGE when waivers are considered, as we recognize these are steps to promote timeliness, consistency, and public trust.