

ETHICS PROGRAM INSPECTION RESULTS			
Agency:	Federal Housing Finance Agency		
Report No:	14-12I	Date:	July 15, 2014
Review Scope:	January – December 2013		

1.0 AGENCY DATA		
	EMPLOYEES	Data
1.1	Number of full-time agency employees, as reported in the most recent Annual Questionnaire	731
1.2	Number of agency SGEs, as reported in the most recent Annual Questionnaire	0
1.3	Number of PAS public financial disclosure reports required to be filed, as reported in the most recent Annual Questionnaire	2
1.4	Number of non-PAS public financial disclosure reports required to be filed, as reported in the most recent Annual Questionnaire	293
1.5	Number of confidential financial disclosure reports required to be filed by employees, as reported in the most recent Annual Questionnaire	193
	ETHICS PROGRAM	Data
1.6	Name of DAEO	Alfred M. Pollard
1.7	Title of DAEO	General Counsel
1.8	Grade level of DAEO	LL-1
1.9	Name of ADAEO	Sean C. Dent
1.10	Title of ADAEO	Deputy General Counsel
1.11	Grade level of ADAEO	LL-1
1.12	Name of the primary, day-to-day ethics program administrator	Sean C. Dent
1.13	Title of the primary, day-to-day ethics program administrator	Deputy General Counsel
1.14	Grade level of the primary, day-to-day ethics program administrator	LL-1
1.15	Current number of full-time ethics officials	2
1.16	Current number of part-time ethics officials	1
1.17	Average FTE value of a part-time ethics official(s) (For example, if part-time ethics officials at the agency generally devote 10 hours per week to ethics work, the average FTE value is 25%.)	10%
1.18	Number of reporting levels between the ethics office/program and the agency head	1

2.0 LEADERSHIP			
	COMPLIANCE REQUIREMENT	Yes	No
2.1	OGE has received an up-to-date designation from the agency head naming the DAEO. <i>See</i> 5 C.F.R. § 2638.202(c).	<input checked="" 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. § 2638.202(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3.0 ETHICS AGREEMENTS			
	COMPLIANCE REQUIREMENT	Yes	No
3.1	All officials currently in PAS positions have complied with their ethics agreements. <i>See</i> 5 C.F.R. § 2634.804. (□ Not Applicable: see OGE comment section below)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3.2	All officials currently in PAS positions complied with their ethics agreements in a timely fashion. <i>See</i> 5 C.F.R. § 2634.804. (□ Not Applicable: see OGE comment section below)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3.3	For all officials currently in PAS positions, the agency notified OGE of ethics agreement compliance in a timely fashion. <i>See</i> DO-09-015. (□ Not Applicable: see OGE comment section below)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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3.4	For all officials currently in PAS positions, the agency maintains documentation of actions taken to comply with ethics agreements. <i>See</i> 5 C.F.R. § 2634.804. (<input type="checkbox"/> Not Applicable: see OGE comment section below)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3.5	All PAS officials' ethics agreements are maintained with their financial disclosure reports. <i>See</i> 5 C.F.R. § 2634.805. (<input type="checkbox"/> Not Applicable: see OGE comment section below)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

4.0 PUBLIC FINANCIAL DISCLOSURE (OGE Form 278, OGE Form 278-T)				
COMPLIANCE REQUIREMENT			Yes	No
4.1	The agency has written policies and procedures in place governing: <i>See</i> 5 U.S.C app. IV, § 402(d)(1).			
4.1.1	• Collection of public financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4.1.2	• Review/evaluation of public financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4.1.3	• Public availability of public financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4.2	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"/>
4.3	Public financial disclosure records are securely maintained. <i>See</i> OGE/GOVT-1.			<input checked="" type="checkbox"/> <input type="checkbox"/>
4.4	Public financial disclosure reports are retained in accordance with the retention requirements. <i>See</i> 5 C.F.R. § 2634.603(g)(1).d			<input checked="" type="checkbox"/> <input type="checkbox"/>
4.5	Agency ethics officials respond promptly to requests by OGE for additional information regarding PAS annual and termination public financial disclosure reports. <i>See</i> 5 U.S.C app. IV, § 402(d)(1). <i>See</i> 5 C.F.R. § 2638.203(b)(14). (<input type="checkbox"/> Not Applicable: see OGE comment section below)			<input checked="" type="checkbox"/> <input type="checkbox"/>
DATA ANALYSIS			%	
4.6	Percentage of sampled non-PAS new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(b).			84%
4.7	Percentage of sampled non-PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).			100%
4.8	Percentage of sampled non-PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).			90%
4.9	Percentage of sampled non-PAS public financial disclosure reports certified within 60 days of receipt (unless additional information was being sought or remedial action was being taken). <i>See</i> PA-11-04.			84%
4.10	Percentage of sampled PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).			100%
4.11	Percentage of sampled PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).			N/A
4.12	Percentage of sampled PAS annual and termination reports certified within 60 days of receipt (unless additional information was being sought or remedial action was being taken). <i>See</i> 5 C.F.R. § 2634.605(a).			100%

5.0 CONFIDENTIAL FINANCIAL DISCLOSURE				
COMPLIANCE REQUIREMENT			Yes	No
5.1	The agency has written policies and procedures in place governing: <i>See</i> 5 U.S.C app. IV, § 402(d)(1).			
5.1.1	• Collection of confidential financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5.1.2	• Review/evaluation of confidential financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5.2	Confidential financial disclosure records financial disclosure records are securely maintained. <i>See</i> OGE/GOVT-2.			<input checked="" type="checkbox"/> <input type="checkbox"/>
5.3	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"/> Not Applicable: see OGE comment section below)			<input type="checkbox"/> <input type="checkbox"/>
5.4	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"/>

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	DATA ANALYSIS	%
5.5	Percentage of sampled confidential new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(b).	85%
5.6	Percentage of sampled confidential annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(a).	90%
5.7	Percentage of sampled confidential financial disclosure reports certified within 60 days of receipt (unless additional information was being sought or remedial action was being taken). <i>See</i> 5 C.F.R. §§ 2634.605(a), 2634.909(a).	96%

6.0 INITIAL ETHICS ORIENTATION			
	COMPLIANCE REQUIREMENT	Yes	No
6.1	All initial ethics orientation material contains: <i>See</i> 5 C.F.R. § 2638.703(a) and (b).		
6.1.1	<ul style="list-style-type: none"> Current contact information of relevant ethics official(s) 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6.1.2	<ul style="list-style-type: none"> Copy of the Standards of Ethical Conduct and any agency supplemental standards to keep or review; or Summaries of the Standards, any agency supplemental standards, and 14 Principles for employees to keep 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6.2	The agency can demonstrate that it has an effective process to ensure that new employees receive initial ethics orientations. <i>See</i> 5 C.F.R. § 2638.703(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	DATA ANALYSIS	%	
6.3	Percentage of new agency employees who received initial ethics orientation within 90 days. <i>See</i> 5 C.F.R. § 2638.703.	99%	

7.0 ANNUAL ETHICS TRAINING			
	COMPLIANCE REQUIREMENT	Yes	No
7.1	All annual ethics training material contains: <i>See</i> 5 C.F.R. § 2638.704(b).		
7.1.1	<ul style="list-style-type: none"> Current contact information of relevant ethics official(s) 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.1.2	<ul style="list-style-type: none"> Review of the criminal conflict of interest statutes 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.1.3	<ul style="list-style-type: none"> Review of the Standards of Ethical Conduct 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.1.4	<ul style="list-style-type: none"> Review of the 14 Principles 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.1.5	<ul style="list-style-type: none"> Review of any agency supplemental standards (<input type="checkbox"/> Not Applicable: see OGE comment section below) 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.2	The agency can demonstrate that it has an effective process to ensure that covered employees receive annual ethics training. <i>See</i> 5 C.F.R. § 2638.704(c) and 705(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	DATA ANALYSIS	%	
7.3	Public financial disclosure filers who completed annual ethics training. <i>See</i> 5 C.F.R. § 2638.704(a).	100%	
7.4	Confidential financial disclosure filers who completed annual ethics training. <i>See</i> 5 C.F.R. § 2638.705(a)(3).	93%	

8.0 ETHICS ADVICE AND COUNSEL			
	COMPLIANCE REQUIREMENT	Yes	No
8.1	Based on a sample collected by OGE, guidance provided by agency ethics officials to employees appears to be consistent with applicable laws and regulations. (<input type="checkbox"/> Not Applicable: see OGE comment section below)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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RECOMMENDATIONS			
#	Element	RECOMMENDATION	Compliance Due
1	4.6	<p><u>CONCERN:</u> A sample of 25 non-PAS new entrant public financial disclosure reports indicated 84 percent were filed timely.</p> <p><u>RECOMMENDATION:</u> Improve the filing timeliness of non-PAS new entrant public financial disclosure reports.</p> <p><u>AGENCY RESPONSE:</u> Generally, the new entrant reports that were not timely filed were those required by employees newly promoted into filing positions; FHFA has been successfully tracking and notifying <i>new</i> agency employees who are required to complete the OGE Form 278. FHFA's Ethics Office will work with the Office of Human Resources to develop a system ensuring timely notification of staffing changes that would result in an employee moving from a non-filing position into a position requiring the filing of a new entrant OGE Form 278. FHFA's Ethics Office has recently established a reminder system with FHFA OIG Human Resources, which handles staffing changes within OIG only, wherein the above staffing information is relayed to the deputy ethics official (via email) on a monthly basis.</p>	11/3/14
2	4.9	<p><u>CONCERN:</u> Non-PAS public financial disclosure reports sampled indicated 84 percent were certified within 60 days of receipt (unless additional information was being sought or remedial action was being taken).</p> <p><u>RECOMMENDATION:</u> Improve the certification timeliness of non-PAS public financial disclosure reports.</p> <p><u>AGENCY RESPONSE:</u> The standard practice of FHFA was to conduct an initial review of all public financial disclosure reports within 60 days of receipt. Going forward, FHFA will ensure that all public financial disclosure reports continue to receive an initial review but are also certified within 60 days, unless pursuing additional, explanatory information from the filer.</p>	9/1/14
3	5.5	<p><u>CONCERN:</u> A sample of 20 new entrant confidential financial disclosure reports indicated 85 percent were filed timely.</p> <p><u>RECOMMENDATION:</u> Improve the filing timeliness of new entrant confidential financial disclosure reports.</p> <p><u>AGENCY RESPONSE:</u> The failure to collect new entrant confidential reports stemmed mostly from lack of compliance on the part of the new filers to submit their reports on time, not due to a systemic flaw in FHFA's procedures for identifying new filers. Therefore, FHFA's Ethics Office has inserted language into FHFA's Conduct and Discipline Policy currently under revision, proposing administrative actions for excessive delay in carrying out assignments, in order to address and handle delinquent confidential financial disclosure reports.</p>	12/1/14

COMMENTS

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OGE Comments:

(4.11) FHFA did not have any PAS termination reports filed in 2013.

(5.3) FHFA does not have an OGE-approved alternative confidential financial disclosure system

(6.0) FHFA provides in-person initial ethics orientation in which employees receive the full text of the Standards of Ethical Conduct for Employees of the Executive Branch, the full text of the Supplemental Standards of Conduct for Employees of the Federal Housing Finance Agency, a summary of post-employment restrictions applicable to FHFA employees, and two handouts: the Top Five Things Every FHFA Employee Should Know About Government Ethics and FHFA Ethics in a Nutshell. The live presentation directly references the written material provided to employees and covers some of the key ethics issues therein.

FHFA tracks completion of initial ethics orientation for each employee electronically with a spreadsheet tracking each new employee, their entry on duty date, and their completion date for initial ethics orientation. FHFA achieved and documented timely initial ethics orientation for 98 of 99 new employees (99 percent) in 2013.

(7.0) FHFA provides annual ethics training to all agency employees. For 2013, FHFA conducted in-person training through a “quiz show” with ethics officials expanding upon the answers to the quiz questions. Attendees to the in-person training also received a written packet of ethics materials which covered annual training content in further detail. Employees unable to attend the in-person training sessions were identified through reconciliation of training sign-in sheets and notified by the ethics office, through FHFA’s HR training system, of their requirement to complete a fully computer-based version of the quiz show. In addition, employees receiving computer-based training also received electronic versions of the written material provided to in-person training attendees.

FHFA tracks completion of annual ethics training for all employees electronically with a spreadsheet tracking each employee, their training completion date, and what type of training they received (in-person or computer-based). FHFA was able to provide specific details for employees that were not initially found on the tracking material, including those employees who had left the agency or been omitted due to data entry problems that were resolved. FHFA achieved and documented timely annual ethics training for 93 percent of its covered employees in 2013.