December 6, 2011

Bruce L. Overton
Designated Agency Ethics Official
Millennium Challenge Corporation
875 15th Street, NW.
Washington, DC 20005

Dear Mr. Overton:

The United States Office of Government Ethics (OGE) recently conducted an on-site follow-up review of the ethics program at the Millennium Challenge Corporation (MCC) to determine whether the improvements recommended or suggested in our January 2011 report have been achieved.

During OGE’s initial review of MCC’s ethics program, numerous deficiencies were found in the public and confidential financial disclosure systems. Reports were filed late or could not be found; reports were certified late; the master list of confidential filers was inaccurate; new entrant confidential filers were not timely identified; some reports were missing filers’ signatures and some reports were not signed to indicate they had been certified. OGE recommended that MCC completely rebuild the public and confidential disclosure systems to remedy the deficiencies identified during the review of MCC’s ethics program.

To address OGE’s recommendation, MCC created new written procedures for the administration of the public and confidential financial disclosure systems. These procedures comply with regulatory requirements and appear to be well-suited to MCC’s organization and mission. The current Ethics Program Officer (EPO) reviewed the position descriptions for all of MCC’s filers to ensure filers were properly designated. The EPO conducts live initial ethics orientation (IEO) every two weeks. Prior to each IEO session, the EPO reviews the new employees’ position descriptions to determine if they should be designated as filers. Those who are designated filers are notified during IEO. The EPO follows-up as needed to ensure new entrant reports are filed timely. MCC conducts promotions twice a year. The EPO reviews the promotions to ensure employees promoted into covered positions also timely file new entrant reports. The EPO also took steps to ensure all reports were accounted for.

As part of its follow-up review, OGE examined samples of public and confidential financial disclosure reports. All of the reports requested were provided. The reports were filed, reviewed, and certified timely. Copies of email and notes documented that ethics officials had conducted conflict of interest analyses on the reports. OGE did note that MCC employees stationed abroad tended to provide only copies of their reports (with no original signature). Ethics officials were reminded that while it is acceptable to submit copies of reports via email or facsimile to enable ethics officials to initiate a conflict of interest review as soon as possible, the
original form with the filer's signature should also be submitted. One public report examined during the follow-up review included assets not fully identified. Ethics officials immediately contacted the filer and the issue was resolved.

OGE's report included a suggestion that MCC involve agency leadership to highlight the role financial disclosure plays in fostering public trust in government and to help increase the timely submission of financial disclosure. Ethics officials engaged agency leadership and crafted emails to be sent to filers with agency leadership's emphasis on the importance of financial disclosure and the timely filing of reports. When following-up with filers who had not yet filed their reports, ethics officials also involved filers' supervisors. Involving leadership had a positive effect on compliance with filing requirements.

OGE also suggested that MCC put in place a reminder system to ensure semi-annual reports of payments for travel accepted from non-Federal sources under the authority of 31 USC § 1353 were submitted to OGE. The reporting lapses which prompted this suggestion were due to administrative oversight during the extended absence of the person who would normally prepare and submit the reports. MCC has determined no changes to their procedures are necessary to ensure future compliance.

Based on our follow-up, we have determined that MCC has adequately implemented the recommendation in the January 2011 review report. As a result, OGE has closed the recommendation. Thank you for your assistance during the follow-up process. Please contact me at 202-482-9317 if you require any additional information.

Sincerely,

Rashmi Bartlett
Associate Director