Ethics Program Review

Defense Intelligence Agency

December 2010 Report

The Office of Government Ethics (OGE) has completed a review of the Defense Intelligence Agency’s (DIA) ethics program. The review was conducted as part of OGE’s monitoring activities pursuant to section 402 of the Ethics in Government Act of 1978, as amended.

RESULTS IN BRIEF

OGE identified two significant areas of concern during the review that could affect DIA’s ability to prevent and detect ethics violations. First, there were weaknesses within the financial disclosure systems: delayed certification of public and confidential financial disclosure reports; certified reports that lacked adequate disclosure of assets; and delayed identification of new entrant confidential financial disclosure report filers, which resulted in employees missing the deadline for submitting their new entrant confidential reports. Second, OGE found weaknesses in the ethics education and training component of DIA’s ethics program. Specifically, it was unclear if initial ethics orientation (IEO) was provided to all new employees, the content of initial ethics orientation and annual ethics training did not cover all required subjects, and DIA could not affirm that verbal training was provided to confidential filers at least once every 3 years. OGE makes recommendations regarding each of these issues designed to help DIA fully comply with applicable ethics statutes, regulations, and policies.

OBJECTIVES, SCOPE AND METHODOLOGY

OGE’s review focused on three components of DIA’s ethics program: the public and confidential financial disclosure systems, ethics education and training, and ethics advice and counseling. OGE’s review had two objectives: The primary objective of the review was to determine whether the three components examined were administered in compliance with applicable ethics statutes, regulations, and policies. The second objective was to assess the strengths and weaknesses of each component and their likely impact on the agency’s ability to prevent and detect ethics violations.

OGE examined documentation relevant to each component of the ethics program subject to the review and interviewed ethics officials who were involved in the administration of those components. Documents OGE examined included written procedures, samples of public and
The Defense Intelligence Agency is a Department of Defense combat support agency and an important member of the United States Intelligence Community. With military and civilian employees worldwide, DIA is a major producer and manager of foreign military intelligence. DIA provides military intelligence to warfighters, defense policymakers and force planners, in the Department of Defense and the Intelligence Community, in support of U.S. military planning and operations and weapon systems acquisition.

DIA’s General Counsel serves as the agency’s Designated Agency Ethics Official (DAEO) and the Principal Deputy General Counsel serves as the Alternate DAEO. DIA has 18 Deputy Ethics Officials at the Deputy and Assistant General Counsel levels who share responsibility for various aspects of the ethics program. Some of these ethics officials are assigned to support specific functional areas within DIA. A single Deputy DAEO serves as DIA’s Ethics Program Manager (EPM) and oversees the day-to-day administration of the ethics program.

The EPM manages each component of the ethics program, including the financial disclosure systems, ethics education and training, and ethics advice and counseling. The remaining ethics officials provide support by serving as reviewers and certifiers of financial disclosure reports and providing additional ethics advice and counseling. Senior Deputy DAEOs attend the U.S. Army Judge Advocate General’s ethics counselor course. Subordinate ethics officials are instructed to consult with more senior ethics officials when they have questions.

Financial disclosure serves to prevent conflicts of interest and to identify potential conflicts by providing for a systematic review of the financial interests of both current and prospective officers and employees. Financial disclosure reports also assist agencies in administering their ethics programs and providing counseling to employees. See 5 CFR § 2634.104(b). Title I of the Ethics in Government Act requires that agencies ensure confidence in the integrity of the Federal Government by demonstrating that officials are able to carry out their duties without compromising the public trust. High-level Federal officials demonstrate that they are able to carry out their duties without compromising the public’s trust by publicly disclosing their personal financial interests (SF 278). Less senior Federal employees demonstrate that independence by facilitating internal agency conflict of interest review through the filing of a confidential financial disclosure report.

To assess the effectiveness of DIA’s financial disclosure systems, OGE (1) examined the written procedures for the administration of the public and confidential financial disclosure systems, (2) interviewed officials responsible for the administration of the systems, including the review and certification of reports, and (3) examined a sample of public and confidential financial disclosure reports filed in 2008 and 2009.
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The principal findings from OGE’s review of DIA’s financial disclosure systems are as follows:

- most public and confidential financial disclosure reports were not certified timely,
- some reports were certified without adequate disclosure of financial interests, and
- new entrant confidential financial disclosure report filers were generally not identified timely which resulted in the late filing of new entrant confidential reports.

OGE’s addresses each of these findings in detail below.

Timeliness of Certification

Financial disclosure reports are to be reviewed and certified within 60 days of the date of filing. Final certification may, of necessity, occur later where additional information is being sought or remedial action is being taken. (See 5 CFR § 2634.605(a) and OGE’s DAEограмs DO-10-006 and DO-09-018, dated April 27, 2010, and May 14, 2009, respectively.)

OGE examined 127 of the approximately 240 public financial disclosure reports required to be filed in 2009 for timeliness of filing, review, and certification. OGE found that 110 reports were not certified until 9 months or more after they had been filed. In addition, while examining public reports filed in 2009, OGE found 29 reports filed in 2008 that had also not yet been certified. There was no indication that ethics officials were seeking additional information or planning to take remedial action in regard to any of the reports OGE examined. Further, as of April 6, 2010, ethics officials were still working to certify approximately 106 other public reports filed in 2009, which OGE did not examine.

OGE also examined 123 of the confidential financial disclosure reports required to be filed in 2009. OGE found that 89 of those reports were also certified more than 60 days after they had been filed. Some reports were not certified until 8 months after they had been filed. Again, there was no indication that the delay in certification was the result of the need to obtain further information or take remedial action.

Ethics officials said that they certified reports as time permitted. In addition, the DAEO and ADAEO expressed that the 60-day certification requirement was not clear.\(^1\) The delayed certification of reports means that more experienced ethics officials might not review the report until long after a real or potential conflict of interest had occurred, potentially resulting in an ongoing conflict. Allowing reports to remain uncertified for long periods also conveys to filers that their reports are not consequential. OGE recommends that DIA certify all reports within 60 days of the date they are filed unless a delay is required in order to obtain additional information or take remedial action.

\(^1\)OGE acknowledges that the referenced DAEOgrams were issued to specifically address due dates for reports required to be filed with OGE and that the policy of certification within 60 days is perhaps not as well-publicized as it could be. Nonetheless, the requirement for certification within 60 days is applicable to all financial disclosure reports.
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Quality of Certification

A financial disclosure report filer is required to disclose financial interests in accordance with 5 CFR part 2634. Ethics officials are obligated to obtain any required information that the filer fails to include on their report. Complete information allows ethics officials to determine whether the filer’s personal financial interests conflict with their official duties.

OGE reviewed 69 public and 123 confidential financial disclosure reports for technical completeness and evidence that ethics officials had conducted conflict of interest analyses. OGE found 7 instances where holdings of underlying assets were not reported as required, 1 instance in which a filer indicated there was a reportable outside position but did not include the part of the report where that information would be disclosed, and 15 instances where either value or income or both was not identified. In one case, a report missing an entire schedule was reviewed by a supervisor and certified by an ethics official despite making note of the missing schedule.²

The technical deficiencies found during the review of reports may be attributable to a lack of training provided to reviewing and certifying officials. Some reviewing and certifying officials stated they had received no training designed to prepare them to review financial disclosure reports. Others reported receiving an approximately one hour briefing on reviewing financial disclosure reports or attending formal training at OGE or the Army’s Judge Advocate General School. While ethics officials noted that the annual ethics training conducted for supervisors who perform the initial review of financial disclosures provides an overview of what constitutes a conflict of interest, annual ethics training was not meant as a primer for reviewing financial disclosures. OGE’s interviews with initial reviewers reflect a working understanding of potential conflicts of interest. However, their proficiency with ensuring a report is technically complete is a concern. Even though initial reviewers and certifying officials are encouraged to ask more senior ethics officials to resolve questions they have regarding technical issues, initial reviewers must first be able to identify that there is an issue to resolve.

Without the full disclosure of an investment’s underlying assets, it is impossible to conduct a conflict of interest analysis. Therefore, OGE recommends that DIA provide additional training for all reviewing and certifying officials to ensure they have the technical expertise to identify whether financial interests are fully disclosed and conduct conflict of interest analyses. OGE also recommends this training familiarize reviewers with the available reference materials for reviewing financial disclosure forms (e.g., OGE’s Public Financial Disclosure: A Reviewer’s Reference and OGE Form 450: A Review Guide).

New Employee Identification

A new entrant financial disclosure report is required to be filed within 30 days after a filer assumes a covered position or office. OGE examined all of the 66 confidential new entrant

²In addition, OGE found 12 instances of personal information being disclosed on the report — including addresses, family members’ names, and financial account numbers. The inadvertent disclosure of this information could result in complications for individual filers.
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reports ethics officials indicated were filed throughout DIA in 2009 and 2010. OGE found that 40 (approximately 61 percent) of the 66 new entrant reports examined during the review were not filed timely. Filing timeliness of six additional reports could not be determined because there was no clear indication of when the reports were filed.

The EPM stated that DIA relies on supervisors to determine if new employees should file new entrant confidential financial disclosure reports when they assume a covered position or office. This reliance on supervisors has proven ineffective for identifying new entrant filers, leaving the majority of new filers unaccounted for until the beginning of the annual filing cycle. At the beginning of the annual cycle, the EPM sends instructions to supervisors to review the previous year’s list of filers. The EPM updates the list based on this review. It is at this time when supervisors identify most new entrants, potentially up to 1 year after they assume a covered position or office.

The potential result of the delay in filing is that an employee whose financial interests create a real or apparent conflict of interest would have that conflict from the time they enter the position until the next annual filing cycle, when their report would be reviewed by an ethics official. OGE recommends that DIA establish a new procedure for collecting new entrant reports. This may be accomplished through coordination with the offices responsible for in-processing new military personnel and civilian employees. These offices are in a position to identify new employees. They should also be helpful in implementing procedures to identify covered positions or require filing status confirmation from supervisors. If position descriptions are annotated with filing requirements, the financial disclosure form can be provided to employees upon in-processing. If supervisors are required to make the determination individually, this could be accomplished through in-processing checklists or another form requiring supervisors to verify a new employee’s filing status. The in-processing checklists or forms could be tracked against a list of all new employees to help ensure new entrant reports are filed appropriately. OGE stands ready to assist DIA in further developing potential solutions.

Financial Disclosure Procedures

In addition to the principal findings of OGE’s review, there was also concern over the lack of continuity within DIA’s ethics program, particularly within the financial disclosure program. DIA’s procedures for reviewing and certifying reports have changed from year to year since at least 2007. Continually changing the procedures for administering the financial disclosure system makes it difficult for those involved to gain proficiency. Wholesale changes in procedures also result in missed opportunities to learn from previous experience and implement the most efficient system possible. Further, lack of continuity makes it difficult for a new ethics official to administer the system, particularly if for some reason more experienced ethics officials with the necessary corporate knowledge are not available for consultation.

In 2007, a Deputy DAEO performed the functions of the EPM and was responsible for certifying all public reports filed in that year after an administrative assistant had conducted a technical review. It was unclear in 2007 whether filers’ supervisors reviewed the reports. The Deputy DAEO left and the position became vacant after January 2008. While the position was vacant, the ADAEO became responsible for the day-to-day administration of the ethics program.
with the assistance of various DIA attorneys who served on a rotational basis. The current EPM assumed that position in January 2009.3 The public reports filed in 2009 were initially reviewed for conflicts of interest by filers’ supervisors and then sent to attorneys who were embedded within the filers’ respective functional areas for final certification. These embedded attorneys, who are considered ethics officials, had first-hand knowledge of the functional areas’ missions and most-likely sources of conflicts of interest. Public reports filed in 2010 received intermediate reviews from filers’ supervisors. They were then sent to the EPM who held them until an Army Reservist who was performing two weeks of annual training duty arrived and was assigned the responsibility to conduct final review and certification of the reports. OGE was also told that the same Army Reservist certified all of the approximately 616 confidential financial disclosure reports filed so far in 2010.

OGE is also concerned about the decision to assign the final review and certification of all of DIA’s approximately 866 financial disclosure reports to one ethics official who has a two-week period in which to complete the task. The sheer volume of reports alone would seem to preclude the completion of an adequate review in the time allowed (the ethics official would have to review and certify more than 10 reports per hour, nonstop, for 80 hours). OGE recognizes from its own experience that many reports filed within DIA can be quickly reviewed and certified with very little effort because they disclose either interests that clearly do not represent a conflict of interest for the filer or no reportable interests at all. However, OGE also identified a number of more complicated reports that would have required significant actions on the part of reviewing and certifying officials in order to be able to sign the reports certifying to the statement that “I conclude that the filer is in compliance with applicable laws and regulations.” These actions would have included contacting filers/filers’ supervisors, reviewing contractor lists, cross-referencing with documentation of outside activity approvals, researching the business activities of private sector entities in which filers reported interests and preparing cautionary memoranda.

Based on the volume of reports filed within DIA, OGE does not endorse assigning all reports to a single ethics official for certification, regardless of the official’s qualifications or skill level. OGE believes the optimal process for the review and certification of financial disclosure reports within DIA, generally, would include an intermediate review by filers’ supervisors and review/certification by attorneys embedded within filers’ respective functional areas. This suggestion mirrors the system used by DIA for the CY2008 financial disclosures, prior to the single certifying official used for the CY2009 financial disclosures. However, this suggestion is with the provision that these reviewing/certifying officials are given appropriate training to review reports.

3The EPM is also responsible for ethics education and training, ethics advice and counseling, and the confidential financial disclosure program. The EPM also serves as the Staff Judge Advocate for Navy personnel issues within DIA and is the Federal Advisory Committee Act legal advisor for DIA.
ETHICS EDUCATION AND TRAINING

An ethics training program is essential to raising awareness among employees concerning ethics laws and rules and informing them that an agency ethics official is available to provide ethics counseling. Each agency's ethics training program must include, at least, an initial ethics orientation (IEO) for all employees and annual ethics training for covered employees.

Initial Ethics Orientation

All new DIA employees must go through DIA's "Gateway" program. The Gateway program serves as a general orientation program designed to familiarize new employees with DIA's mission, policies, facilities and other aspects of working for DIA. IEO is conducted during the Gateway program for all new employees. OGE reviewed IEO materials provided by DIA for compliance with 5 CFR § 2638.703. The results are summarized below in Table 1.

<table>
<thead>
<tr>
<th>Content</th>
<th>Required</th>
<th>Provided</th>
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</thead>
<tbody>
<tr>
<td>The Standards of Conduct</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Contact Information for the DAEO and other ethics officials</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>14 Principles of Ethical Conduct</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>One hour of official duty time to review</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Within 90 days of start-date</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

The IEO material initially provided to OGE did not address the Standards of Conduct or summaries of the Standards in their entirety, and addressed only 11 of the 14 Principles of Ethical Conduct. Contact information for ethics officials did not include telephone numbers for the various ethics officials listed. OGE contacted DIA for clarification on the missing IEO elements and received an additional handout covering 13 of 14 Principles of Ethical Conduct and all of the Standards of Conduct. However, it was unclear whether this training was currently in use by DIA. In addition, the training contained an obsolete reference to the widely attended gathering gift exception ceiling for non-sponsor gifts, which had been previously updated over 2 years earlier in DAEOgram DO-08-010. Also, the first page of the handout identified the ethics point of contact for DIA as the former primary ethics official who has not held that position with the agency since January 2008.

OGE also noted a potential discrepancy in the number of employees who were required to receive IEO and the number who actually received IEO. According to the annual Agency Ethics Program Questionnaires filed by DIA, the number of DIA employees increased from 12,000 to 16,500 between 2008 and 2009. The number of employees receiving IEO for both years was 2,386 - well short of the 4,500 employee increase. The EPM speculated that some military personnel may have had their IEO covered by their branch of service, but could not completely account for the discrepancy. This discrepancy was addressed in the agency's comments at the conclusion of this report.
Annual Ethics Training

OGE reviewed the training provided to incumbent employees and found that DIA did not meet all the requirements for annual ethics training as specified in 5 CFR § 2638.704(b). Table 2 provides a summary of the results of OGE’s review of the required training elements.

<table>
<thead>
<tr>
<th>Content</th>
<th>Required</th>
<th>Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Standards of Conduct</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>The Federal Conflict of Interest Statutes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>14 Principles of Ethical Conduct</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Contact Information for the DAEO and other ethics officials</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>One hour of official duty time to review</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

DIA’s EPM was unaware of the requirement to review any Federal Conflict of Interest statutes beyond 18 U.S.C. § 208. DIA reported that some of the remaining statutes, though not included in the training materials, may have been covered during class. Additionally, DIA could not confirm review of any of the Standards of Conduct beyond 5 CFR § 2635.502. While DIA’s annual training addresses the two primary conflict of interest authorities at 18 U.S.C. § 208 and 5 CFR § 2635.502, it does not meet the requirements identified in 5 CFR § 2638.704(b). Without addressing all required subject matter, DIA has left itself more vulnerable to potential conflicts of interest.

DIA was also unable to identify when the last time verbal training was provided to non-public financial disclosure filers or provide evidence that such training would be impractical. Per 5 CFR § 2638.705(c)(1), a minimum of 1 hour of official duty time should be provided for verbal training at least once every 3 years, unless the DAEO or designee has made a written determination that verbal training would be impractical. The EPM underscored that the ethics program lacked organization and continuity of operations when she assumed her position in 2009. These circumstances may have precluded the accurate tracking of the annual training provided to confidential financial disclosure filers. As such, these filers may not be receiving the required training and could be at an increased risk for a potential conflict of interest.

OGE recommends that DIA’s initial and annual training be amended to meet the requirements in 5 CFR § 2638 Subpart G. In addition, DIA should develop and implement a system that fully identifies the IEO status of all personnel, to include those military personnel and others that appear to be unaccounted for. Prior to OGE’s 6 month follow-up, DIA should also provide verbal training to its confidential filers to ensure, going forward, that verbal training is provided at a minimum of once every 3 years.
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. See 5 CFR § 2638.203. OGE reviewed 60 samples of advice and counseling provided by DIA on a variety of topics, including financial conflicts of interest, impartiality, misuse of position, gifts, and post-employment. Deputy DAEOs answer simple ethics questions and refer difficult questions to the EPM, who receives copies of all advice provided by the ethics staff. DIA’s advice and counsel is stored in the email of the Ethics Program Manager. OGE’s review found that the advice and counseling was generally accurate with the following exceptions:

- Guidance to a financial disclosure reviewer incorrectly explained that Excepted Investment Funds (EIF) do not create a financial conflict of interest. Holdings of a diversified mutual fund, rather than an EIF, meet the 18 U.S.C. § 208 exemption at 5 CFR § 2640.201(a) and therefore do not create a financial conflict of interest. When an EIF is not a diversified mutual fund (i.e., a private equity fund) its holdings may pose potential conflicts and while they do not have to be disclosed, they must nonetheless be reviewed for conflicts.

- Guidance provided to a public financial disclosure filer detailed to another agency advised the filer that it would be acceptable for the receiving agency to complete the final certification of the report, retain the original, and submit a copy back to DIA. Reports of filers on detail should be filed with their primary agency per 5 CFR § 2634.602(2). A courtesy copy can be provided to the receiving agency.

The advice and counsel provided by DIA was very informal and followed no standard format. In certain cases, some elements appeared to be absent from the ethics officials’ analysis of a question, but given the conversational email format, it was impossible to determine if those elements were discussed by phone, in another email or in person. As such, there were a number of occasions where the sample of advice and counsel may have been incomplete, and the electronic record could not confirm the circumstances had been fully addressed. Also, by using a purely conversational tone, ethics concepts were sometimes oversimplified, making the advice and counsel provided less accurate.

OGE suggests developing a more formal advice and counsel process. Using a standard template for guidance that contains a summary, facts provided, law/regulation involved, ethics analysis, and conclusion/recommendation can help ensure a situation is fully addressed and effectively memorialized for other ethics officials. Maintaining a repository of ethics advice and counsel outside of the EPM’s email – on a network, in hard copy, or both – allows other ethics officials to draw from that pool of knowledge and can improve consistency in counsel and reduce the time spent addressing repeat situations.
OVERSIGHT

Assessing the ethics program in its entirety, OGE notes the current EPM, who manages the day-to-day operations of the ethics program, took over a program that had been administered by multiple attorneys on a rotational basis. OGE believes this organizational structure was detrimental to the ethics program. Additionally, the ethics program suffers from a lack of resources and the lack of a demonstrative continuity of operations or succession plan, which is particularly important for an agency with a high turn-over rate. Finally, the program, to the best of the EPM’s knowledge, has never performed a self-assessment to find its own vulnerabilities.

OGE’s concerns are amplified by the not insignificant deficiencies in some of the core elements of the ethics program: uncertified financial disclosure reports, inadequate disclosure of financial interests, incomplete annual ethics training, and the failure to timely identify new entrant financial disclosure report filers. It is the responsibility of the DAEO, per 5 CFR § 2638.203, to maintain an effective financial disclosure system and provide an ethics education program. While these functions are often (and successfully) delegated to subordinate employees, the responsibility for them cannot be delegated and still falls squarely on the shoulders of the DAEO.

OGE believes that the resources exist within DIA to significantly improve the ethics program: embedded attorneys have begun to review and certify a greater number of financial disclosure reports; a robust electronic tasking system can help ensure directives are disseminated and accomplished; and some experienced ethics officials have shown a willingness to help improve the program by training other officials. Managing these resources requires the personal guidance and oversight of the DAEO to achieve the greatest benefit for DIA’s ethics program. OGE encourages DIA to establish the most stable structure possible for the ethics program and stands ready to work with DIA in strengthening this and all other aspects of the ethics program.

SUMMARY

OGE makes the following recommendations to bring DIA’s ethics program into full compliance with statutory and regulatory requirements:

1. OGE recommends that DIA certify all public and confidential financial disclosure reports within 60 days of the date they are filed unless a delay is required in order to obtain additional information or take remedial action.

2. OGE recommends that DIA provide training to all personnel who review or certify financial disclosure reports. The training should reinforce how to identify conflicts of interest and prepare personnel to adequately conduct technical reviews of reports. Further, OGE also recommends this training provide familiarization with the available reference materials for reviewing public financial disclosure forms.

3. OGE recommends that DIA implement procedures to ensure new entrant confidential financial disclosure reports are filed timely.
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4. OGE recommends that the content of initial and annual ethics training be amended to meet the requirements set forth in 5 CFR § 2638 Subpart G.

5. OGE recommends that DIA provide verbal training to all confidential financial disclosure report filers prior to OGE’s 6 month follow-up review.

OGE makes the following suggestions for improving DIA’s ethics program:

1. OGE suggests that DIA amend financial disclosure review procedures to include an intermediate review by filers’ supervisors and review/certification by attorneys embedded within filers’ respective functional areas.

2. OGE suggests that DIA adopt a more formal method of documenting advice and counseling using a standard template and maintain that advice in a repository accessible by all ethics officials.

3. OGE suggests that DIA establish a stable structure for the ethics program.

AGENCY COMMENTS

Comments provided and signed by the EPM on November 10, 2010:

Recommendation 1:

As you know, 5 C.F.R. 2634.605(a) requires that financial disclosure reports be reviewed within 60 days after the date of filing. This review was conducted by DIA supervisors within the time frame required, and, because we are a Department of Defense Agency, included a conflicts of interest analysis. However, final review and certification by ethics counselors was, in some cases, delayed, for a variety of reasons. Accordingly, we modified our final review and certification process in 2010 to include the participation of every available attorney within my office (including me). This process greatly reduced the time that elapsed from the dates when the employees filed their reports to the dates when the reports were reviewed and signed by a DIA attorney. With this new process, many reports were certified within 60 days. Resources permitting, we will continue to implement these measures and expect to have all future reports certified within 60 days.

Recommendation 2:

As part of their annual ethics training, financial disclosure filers receive training on conflicts of interest statutes and impartiality regulations. This training includes information regarding both the applicable statutes and regulations and practical examples analyzing fact patterns that raise these issues. The training assists those who complete financial disclosure reports and those who review these documents. In particular, during my annual briefings to DIA senior officials filing SF278s, I emphasize the supervisor’s responsibility to thoroughly evaluate the filer’s financial
interests in light of his or her assigned duties and responsibilities, which are best known to the immediate supervisor.

As part of our commitment to provide additional training in this area, DIA submitted a request to OGE in May 2010 to provide financial disclosure review training for supervisors. At that time, OGE was unable to support our request but advised that the matter would be reviewed at a later date. Accordingly, DIA will resubmit its request to OGE for financial disclosure review training for supervisors.

Finally, all ethics counselors who have been delegated authority to conduct final reviews of confidential and public financial disclosure reports have received appropriate subject matter training in courses offered by the military services, the Ethics Counselors Course offered by the Army Judge Advocate General's School, and in annual training and periodic workshops conducted by the Office of Government Ethics. Additionally, DIA's Ethics Program Manager actively participates in monthly training conducted by the DoD Standards of Conduct Office and frequently attends lectures presented by the Interagency Ethics Counsel. DIA will ensure that ethics counselors who have not recently attended financial disclosure review training attend future OGE financial disclosure review workshops or complete the OGE web-based training.

Recommendation 3:

Each new entrant confidential financial disclosure report filer must provide the date of appointment to the position triggering the requirement to file the form. This date may not be the same date that the employee was hired as many new entrants file this form as a result of collateral contracting or procurement responsibilities and not the primary duties for which they were initially hired. These collateral duties may be assigned at any time during employment and are subject to change. Consequently, when these employees listed their dates of initial hire, this created the impression that their reports were not timely submitted, when in fact they were. In the future, DIA will advise supervisors and filers to include the date triggering the requirement to file this report, not the date of the employee's initial appointment.

Additionally, to further ensure that all new entrant reports are filed in a timely manner, DIA will periodically remind supervisors to screen employees for duties triggering the requirement to file a financial disclosure report.

Recommendation 4:

In the annual ethics training conducted in September 2010, DIA incorporated these changes and will continue to include this material in all future training.

Recommendation 5:

DIA will present verbal ethics training at a symposium for all DIA employees who participate in the acquisition process. This symposium is an annual event that will take place in November and a significant number of DIA OGE 450 filers are expected to attend. While it is impractical to
provide verbal training to every OGE 450 filer, this training will reach a large audience and will be repeated each year.

Suggestion 2.4

Ethics advice that includes a recitation and summary of facts, applicable laws and regulations, analysis, conclusions, and recommendations is provided as needed. DIA will ensure that these opinions are placed in a shared file for use by other DIA ethics counselors. Less complex questions are addressed via email, telephone or in person and are shared among ethics counselors.

Additionally, DIA will conduct a self-assessment. While a formal assessment has never occurred, we recognize the potential value provided by honest and frank customer feedback. We will monitor the OGE training schedule and attend your self-assessment training to assist us in this endeavor.

Finally, the DIA ethics program has improved significantly since our last review in 2003 and we are sensitive to the need to maintain a stable management structure. As part of our ongoing commitment to maintain an effective, accessible, and compliant ethics program, our program manager has made a formal request to extend in her current military assignment until 2013. I fully support her request and believe that her expertise and continued presence will greatly benefit DIA, the program that she manages, and our fellow employees.

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4The draft of this report provided to DIA for comment included all three suggestions in the text of the report; however; only suggestion two was repeated in the Summary section of that draft. Presumably, DIA did not respond to suggestions one and three because they were not separately addressed in the Summary section. DIA may provide specific comments regarding these additional suggestions in its formal 60-day response.
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Appendix

Table 1
Public Financial Disclosure Reports

<table>
<thead>
<tr>
<th>Report Type</th>
<th># in Sample</th>
<th>Filed Late</th>
<th>Reviewed Late</th>
<th>Delayed Certification</th>
</tr>
</thead>
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<td>Incumbent</td>
<td>107</td>
<td>2</td>
<td>2</td>
<td>106</td>
</tr>
<tr>
<td>New Entrant</td>
<td>16</td>
<td>4</td>
<td>0</td>
<td>12</td>
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<tr>
<td>Termination</td>
<td>4</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>127</strong></td>
<td><strong>6</strong></td>
<td><strong>3</strong></td>
<td><strong>121</strong></td>
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</tbody>
</table>

1 In 5 cases, OGE was unable to determine date of filing due to missing dates.
2 In 14 cases, OGE was unable to determine date of supervisor review due to missing dates or dates prior to the filer’s signature.

Table 2
New Entrant Confidential Financial Disclosure Reports

<table>
<thead>
<tr>
<th>Filing Timeliness</th>
<th>Review Timeliness</th>
<th>Certification Timeliness</th>
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<td>Timely</td>
<td>Late</td>
<td>Could not Determine</td>
</tr>
<tr>
<td>20</td>
<td>40</td>
<td>6</td>
</tr>
<tr>
<td>Timely</td>
<td>Late</td>
<td>Could not Determine</td>
</tr>
<tr>
<td>64</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Timely</td>
<td>Late</td>
<td>Could not Determine</td>
</tr>
<tr>
<td>4</td>
<td>60</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total: 66</strong></td>
<td><strong>Total: 66</strong></td>
<td><strong>Total: 66</strong></td>
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Table 3
Annual Confidential Financial Disclosure Reports

<table>
<thead>
<tr>
<th>Office</th>
<th>Total Filers in Office</th>
<th>Number in Sample</th>
<th>Filed Timely</th>
<th>Filed Late</th>
<th>Could Not Determine Timeliness of Filing</th>
<th>Reviewed Timely</th>
<th>Reviewed Late</th>
<th>Could Not Determine Timeliness of Review</th>
<th>Delayed Certification</th>
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<td>8</td>
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<td>2</td>
<td>3</td>
<td>5</td>
<td>0</td>
<td>3</td>
<td>2</td>
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<tr>
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<td>10</td>
<td>1</td>
<td>9</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>AE</td>
<td>76</td>
<td>19</td>
<td>14</td>
<td>4</td>
<td>1</td>
<td>18</td>
<td>1</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>DI</td>
<td>59</td>
<td>20</td>
<td>16</td>
<td>1</td>
<td>3</td>
<td>18</td>
<td>0</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>220</strong></td>
<td><strong>57</strong></td>
<td><strong>34</strong></td>
<td><strong>16</strong></td>
<td><strong>7</strong></td>
<td><strong>51</strong></td>
<td><strong>1</strong></td>
<td><strong>5</strong></td>
<td><strong>29</strong></td>
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