

ETHICS PROGRAM INSPECTION RESULTS



Agency:	Federal Trade Commission		
Report No:	15-3I	Date:	November 13, 2014
Review Period:	January through December 2013		

1.0 AGENCY DATA		
	EMPLOYEES	Data
1.1	Number of full-time agency employees, as reported in the most recent Annual Questionnaire	1172
1.2	Number of agency SGEs, as reported in the most recent Annual Questionnaire	14
1.3	Number of PAS public financial disclosure reports required to be filed, as reported in the most recent Annual Questionnaire	6
1.4	Number of non-PAS public financial disclosure reports required to be filed, as reported in the most recent Annual Questionnaire	52
1.5	Number of confidential financial disclosure reports required to be filed by employees, as reported in the most recent Annual Questionnaire	696
	ETHICS PROGRAM	Data
1.6	Name of DAEO	Christian S. White
1.7	Title of DAEO	Deputy General Counsel for Legal Counsel
1.8	Grade level of DAEO	SES
1.9	Name of ADAEO	Lorielle L. Pankey
1.10	Title of ADAEO	Attorney, Alternative Designated Agency Ethics Official
1.11	Grade level of ADAEO	GS-15
1.12	Name of the primary, day-to-day ethics program administrator	Lorielle L. Pankey
1.13	Title of the primary, day-to-day ethics program administrator	Attorney, Alternative Designated Agency Ethics Official
1.14	Grade level of the primary, day-to-day ethics program administrator	GS-15
1.15	Current number of full-time ethics officials	0
1.16	Current number of part-time ethics officials	5
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%.)	85%
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. (<input type="checkbox"/> Not Applicable: see OGE comment section below)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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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"/>
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. (☐ 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. (☐ 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).	<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). (☐ 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).	100%		
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).	100%		
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.	100%		
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 are securely maintained. <i>See</i> OGE/GOVT-2.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

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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 type="checkbox"/> Not Applicable: see OGE comment section below)	<input checked="" 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"/>
DATA ANALYSIS		%	
5.5	Percentage of sampled confidential new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(b).	100%	
5.6	Percentage of sampled confidential annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(a).	100%	
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).	100%	

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.	100%	

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).	95%	

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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COMMENTS

OGE Comments

(4.4) The inspection identified that some public financial disclosure reports were retained beyond the time frames established by regulation. During OGE’s inspection, the ADAEO confirmed with OGE that all public financial disclosure reports held beyond the retention period will be destroyed as required.

(4.11) FTC had no PAS officials who were required to file a termination report in CY2013.

(5.3) On October 19, 1999, OGE approved the use of an alternative confidential disclosure procedure, under the authority of 5 C.F.R. part 2634.905(c), based on FTC’s September 20, 1999, request.

(7.1.5) FTC’s supplement to the standards of conduct regulation can be found at 5 C.F.R. § 5701.

(7.4) According to FTC’s annual questionnaire for 2013, 315 (95%) of the 330 confidential financial disclosure filers were trained in 2013. Those who did not receive annual training were unavailable due to maternity leave, extended leaves of absences due to medical concerns, or because they left FTC.

Model Practices Identified

OGE identifies model practices and shares them when they may benefit other agencies. The following are model practices OGE noted FTC implemented to enhance its ethics program:

- In CY2013, the FTC Ethics Office distributed an Ethics Pocket Guidebook, a “plain English” guide to the federal ethics laws and regulations. This initiative was announced by the Chief of Staff and every senior official and all GS-14 and 15 employees received individual copies of the guide. Every office within FTC also received multiple copies of the guide to use as a resource for all staff.
- To help underscore the importance of adhering to ethical principles, the Ethics Office posts pertinent ethics information on its Ethics intranet page. Resources on this page include, among other things, hyperlinks to the Standards of Ethical Conduct, the 14 General Principles for employees, the criminal conflict of interest statutes, FTC’s supplemental ethics regulation, information regarding the Stock Act, and other relevant links to pages on OGE’s website. The Ethics intranet page is discussed during initial ethics orientation and annual ethics trainings.
- The Ethics Office uses checklists to aid in the review of both public and confidential financial disclosure reports. The checklists guide FTC reviewers through each section of a report to ensure that all reported interests are analyzed for conflicts of interest.
- Cautionary letters are sent to all public financial disclosure report filers and to a targeted, select group of confidential financial disclosure filers. The letters include personalized ethics advice addressing potential issues related to the reported financial interests.

Agency Response

FTC was given the opportunity to review a draft version of this report. The agency’s comments were incorporated into this report.