

2019 President's Budget  
Office of Ethics

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## OFFICE OF ETHICS

### Purpose Statement

The Ethics in Government Act, 5 U.S.C. App 4 (the Act), established the ethics compliance requirements and infrastructure applicable throughout the Executive Branch. Under regulations implementing the Act, the head of each Executive Branch Department or Agency must exercise personal leadership in establishing, maintaining, and carrying out the agency's ethics program and make available sufficient resources to ensure the agency's ethics program can be implemented effectively (5 C.F.R. 2638.107). The Office of Ethics (OE) is the centralized and consolidated office implementing USDA's ethics program throughout the Department. As such, OE provides ethics services to the Secretary of Agriculture and employees at all levels of USDA concerning advice, training, and guidance about compliance with conflict of interest and impartiality rules. This includes complying with the requirements of the Stop Trading on Congressional Knowledge Act, Pub. L. No. 112-105 (2012) (The STOCK Act), Office of Government Ethics regulatory requirements (5 C.F.R. Parts 2634 through 2641) as well as the statute governing political activities (the Hatch Act) and Office of Special Counsel implementing regulations.

OE is currently organized into an Office of the Director and one Mission Areas Ethics Programs Support Branch. The current structure is the result of an organizational realignment that took place in 2016 to provide a more effective and flexible structure for OE to utilize existing resources to successfully address the growing needs of USDA's mission areas for ethics training, advice, and the review of over 14,000 financial disclosure reports. As of September 30, 2017, there were 18 permanent full-time employees, including 16 in the headquarters office and two in the field.

The United States Office of Government Ethics (OGE) conducted a review of the USDA Ethics Program in 2017. The review covered program activities for calendar year 2016 and the program review report, which is publicly available on OGE's website ([www.oge.gov](http://www.oge.gov)), was issued on November 21, 2017. The report, which evaluated all aspects of the USDA ethics program, highlighted three key areas:

- OGE noted that OE's staffing was significantly reduced over the past decade.
- OGE highlighted four USDA "model agency practices" that are worthy of emulation by other Federal agencies including 10 Ethics Videos and the Ethics Pocket Guide Booklet OE developed, as well tailored discretionary training provided to USDA employees at all levels.
- OGE noted that improvements were needed for the timely submission and timely certification of new entrant financial disclosure reports.

OE did not have any Office of Inspector General or Government Accountability Office evaluation reports during the past year.

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Available Funds and Staff Years (SYs)

(Dollars in thousands)

Item	2016 Actual		2017 Actual		2018 Estimate		2019 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
	<b>Salaries and Expenses:</b>							
Discretionary Appropriations .....	\$3,654	17	\$4,136	19	\$4,108	18	\$2,897	13
Transfer Out: WCF.....	-	-	-375	-	-	-	-	-
Total Available.....	3,654	17	3,761	19	4,108	18	2,897	13
Lapsing Balances.....	-758	-	-91	-	-	-	-	-
Obligations .....	2,896	17	3,670	19	4,108	18	2,897	13
<b>Obligations under other USDA appropriations:</b>								
OCIO Reimbursement.....	125	1	139	1	139	1	139	1
OCFO Reimbursement.....	125	1	139	1	139	1	139	1
Total, Agriculture Appropriations..	250	2	278	2	278	2	278	2
Total, OE.....	3,146	19	3,948	21	4,386	20	3,175	15

Permanent Positions by Grade and Staff Year Summary

Item	2016 Actual			2017 Actual			2018 Estimate			2019 President's Budget		
	Wash.		Total	Wash.		Total	Wash.		Total	Wash.		Total
	D.C.	Field		D.C.	Field		D.C.	Field		D.C.	Field	
SES.....	1	-	1	1	-	1	1	-	1	1	-	1
GS-15.....	1	-	1	3	-	3	3	-	3	3	-	3
GS-14.....	6	2	8	5	2	7	5	2	7	4	2	6
GS-13.....	4	-	4	3	-	3	3	-	3	2	-	2
GS-12.....	1	-	1	1	-	1	1	-	1	1	-	1
GS-11.....	1	-	1	-	-	-	1	-	1	-	-	-
GS-9.....	2	-	2	2	-	2	3	-	3	2	-	2
GS-7.....	1	-	1	1	-	1	1	-	1	-	-	-
Total, Perm. Full-Time Employment, EOY.....	17	2	19	16	2	18	18	2	20	13	2	15
Staff Year Est.....	17	2	19	19	2	21	18	2	20	13	2	15

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The estimates include appropriation language for this item as follows (new Language underscored; deleted matter enclosed in brackets):

Salaries and Expenses:

For necessary expenses of the Office of Ethics, [~~\$4,108,000~~] \$2,897,000.

Lead-Off Tabular Statement

Budget Estimate, 2019.....	\$2,897,000
2018 Annualized Continuing Resolution.....	<u>\$4,108,000</u>
Change in Appropriation.....	<u><u>-1,211,000</u></u>

Project Statement

Obligation Detail and Staff Years (SYs)  
(Dollars in thousands)

Program	<u>2016 Actual</u>		<u>2017 Actual</u>		<u>2018 Estimate</u>		<u>Inc. or Dec.</u>		<u>2019 President's Budget</u>		
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	
Discretionary Obligations:											
Ethics Services.....	\$2,896	17	\$3,670	19	\$4,108	18	\$-1,211	(1)	-5	\$2,897	13
Lapsing Balances.....	758	-	91	-	-	-	-	-	-	-	-
Total Available.....	3,654	17	3,761	19	4,108	18	-\$1,211		-5	2,897	13
Transfer Out: WCF.....	-		375		-		-			-	
Total Appropriation.....	<u>3,654</u>	<u>17</u>	<u>4,136</u>	<u>19</u>	<u>4,108</u>	<u>18</u>	<u>-1,211</u>		<u>-5</u>	<u>2,897</u>	<u>13</u>

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Project Statement  
Obligation Detail and Staff Years (SYs)  
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Program	2016 Actual		2017 Actual		2018 Estimate		Inc. or Dec.		2019 President's Budget		
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	
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Ethics Services.....	\$2,896	17	\$3,670	19	\$4,108	18	-\$1,211	(1)	-5	\$2,897	13
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Total Available.....	3,654	17	3,761	19	4,108	18	-\$1,211		-5	2,897	13
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Total Appropriation.....	3,654	17	4,136	19	4,108	18	-1,211		-5	2,897	13

Justification of Increases and Decreases

Base funds will allow the Office of Ethics (OE), to continue to provide ethics program oversight, execution, policy development, and information to the Secretary and other senior policy officials to support the Department’s compliance with ethics laws and regulations. Additionally, base funds are necessary to allow the Office of Ethics to serve the key functions of conducting financial disclosure reviews, ethics training, Hatch Act training, and providing individual advice and counseling and ethics policy guidance to all employees of the Department. OE’s services raise employee awareness of, and compliance with, mandatory ethics laws and the Hatch Act. This maintains the public’s confidence in the integrity of USDA’s workforce, programs, and initiatives.

The funding change is requested for the following items:

(1) A net decrease of \$1,211,000 for the Office of Ethics (\$4,108,000 and 18 staff years available in 2018).

a. A decrease of \$770,000 and 5 staff years for unfilled vacant positions.

The Office of Ethics (OE) is the sole office that operates the Department’s Ethics program and implements the statutory and regulatory requirements to raise employee awareness and compliance with ethics laws. OE’s work enhances the public’s confidence in the integrity of USDA’s workforce, programs and initiatives. Because OE is a consolidated office there are no redundant ethics programs in the mission areas. OE is the only office which conducts ethics vetting for incoming Administration appointees, provides daily ethics advice to USDA employees Department-wide, and provides post-employment counseling for departing USDA officials. At current levels, approximately 5,238 USDA employees are serviced by each OE ethics advisor, nearly ten times the Executive Branch average.

As a result of the proposed decrease in funding, OE will not be able to fill five ethics advisor vacancies. The duties of these unfilled positions will be absorbed by current onboard staff. OE will work with the resources available to ensure USDA employees and political appointees follow the applicable ethics rules.

- b. A decrease of \$441,000 from Non-Personnel costs.

The reduction will be achieved by lowering spending for non-personnel costs, such as printing and reproduction, contractual services, supplies and materials and equipment.

Geographic Breakdown of Obligations and Staff Years  
(Dollars in thousands and Staff Years (SYs))

State/Territory	2016 Actual		2017 Actual		2018 Estimate		2019 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
	District of Columbia.....	\$2,672	15	\$3,430	17	\$3,860	16	\$2,649
Illinois.....	110	1	115	1	121	1	121	1
Oregon.....	114	1	125	1	127	1	127	1
Obligations.....	2,896	17	3,670	19	4,108	18	2,897	13
Lapsing Balance.....	758		91		-		-	
Total, Available.....	3,654	17	3,761	19	4,108	18	2,897	13

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Classification by Objects

(Dollars in thousands)

	2016	2017	2018	2019
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>President's Budget</u>
<b>Personnel Compensation:</b>				
Washington D.C.....	\$1,523	\$1,809	\$1,900	\$1,402
Field.....	224	240	248	249
11 Total personnel compensation.....	1,747	2,049	2,148	1,651
12 Personnel benefits.....	640	663	670	527
13.0 Benefits for former personnel.....	10	10	10	10
Total, personnel comp. and benefits.....	2,397	2,722	2,828	2,188
<b>Other Objects:</b>				
21 Travel and transportation of persons.....	4	6	7	6
23.1 Rental payments to GSA.....	-	2	2	2
23.3 Communications, utilities, and misc. charges.....	57	50	60	58
24 Printing and reproduction.....	132	41	75	45
25.2 Other services.....	242	775	950	500
25.3 Other purchases of goods and services from Federal sources.....	22	22	22	22
26.0 Supplies and materials.....	8	18	68	23
31.0 Equipment.....	34	34	96	36
Total, Other Objects.....	499	948	1,280	692
99.9 Total, new obligations.....	2,896	3,670	4,108	2,880
DHS Building Security Payments (included in 25.3).....	\$22	\$22	\$22	\$22
<b>Position Data:</b>				
Average Salary (dollars), ES Position.....	\$185,100	\$187,000	\$188,919	\$190,857
Average Salary (dollars), GS Position.....	\$90,595	\$103,444	\$115,240	\$121,678
Average Grade, GS Position.....	12.5	13.3	13.6	14.2

## OFFICE OF ETHICS

### Status of Programs

The Office of Ethics (OE) implements USDA's Department-wide Ethics Program. All of OE's core functions such as the Financial Disclosure Program, Ethics and Hatch Act Training Programs, Ethics Policy Development, and the Ethics and Hatch Act Advice and Counseling Programs are mandated by the Ethics in Government Act, U.S. Office of Government Ethics regulations, and Office of Special Counsel Hatch Act regulations.

### Current Activities

In 2017, the Office of Ethics developed and released the USDA Ethics App, the first of its kind in the federal government. The App reaffirms the Secretary's commitment to maintaining the highest degree of integrity and ethical behavior and enhancing the American public's confidence in the integrity and important work of the Department of Agriculture. The Ethics App, which brings to users' fingertips short, easy-to-read summaries of federal ethics rules and Hatch Act limitations on political activity. It includes a comprehensive video library so that officials can quickly become familiar with these important rules at any time, whether in the office, off-site, or on official travel. It also contains a resources section where USDA employees can readily contact an ethics advisor at USDA. The groundbreaking application was designed to make compliance with the Federal ethics rules a one-stop-shop for USDA employees, but the app is available to anyone with Android devices or Apple devices.

As another means of reaching USDA's officials located in the field, OE personally provided three in-person training sessions for all USDA foreign service officers during their visits to the DC area. These trainings, which were organized in concert with the Foreign Agricultural Service and the Animal and Plant Health Inspection Service leadership, addressed common ethics issues faced by Federal employees stationed outside the US (e.g. gifts, conflicts of interest, seeking employment) and incorporated extensive question and answer portions. The feedback on these sessions was extremely positive and a follow up session for outgoing foreign service officers has already been scheduled for February 2018.

Additionally, in 2017, OE completed another successful year of electronic filing for USDA's approximately 725 public financial disclosure statements (OGE-278 Public Financial Disclosure Reports and OGE 278T Periodic Transaction Reports required by the Stop Trading on Congressional Knowledge Act) and more than 13,500 confidential financial disclosure reports (OGE-450). Additionally, as mandated by the U.S. Office of Government Ethics (OGE), OE continued to operate a second electronic financial disclosure report filing system, INTEGRITY.GOV, for USDA's new OGE-278 filers. Existing filers continue to use USDA's legacy e-filing system. Moreover, for the fifth consecutive year, more than 99 percent of all USDA employees who were required to take annual ethics training completed that requirement in a timely fashion.

As noted above, the OE serves the entire Department and all component agencies. OE is currently organized into an Office of the Director and one Mission Area Ethics Programs Support Branch.

### Selected Examples of Recent Progress:

#### OFFICE OF THE DIRECTOR

The Office of the Director coordinates ethics services throughout the USDA and manages the ethics programs for the Office of the Secretary, Staff Offices, Departmental Management, Foreign Agricultural Service, and Risk Management Agency. As described above, the Office of the Director continued to develop innovative training resources that can be easily accessed by USDA employees around the world on demand to fit their schedules. Moreover, in 2017 the Office of the Director placed special focus on activities associated with the Presidential transition.

In late 2016, OE leadership worked closely with the outgoing White House Liaison, as well as the Office of Operations, the Office of Human Resources and the Office of the Chief Information Officer to develop and staff a "one stop shop" out processing center for all departing political appointees. OE senior staff members covered each

of the 48 one-hour shifts, providing individualized guidance on the post government employment rules, as well as the termination financial disclosure requirement for all 120+ departing DC-area appointees.

In early-2017, OE provided ethics briefings at multiple onboarding sessions for the new Administration appointees to ensure that they were apprised of the ethical obligations of Federal service. Each new appointee was assigned a senior OE employee to assist them in completing their OGE-278 public financial disclosure report. Upon completion, OE senior staff members conducted a thorough ethics review of new political appointees' financial disclosure reports and drafted personalized ethics agreements for each appointee, addressing any potential concerns identified in the aforementioned reports.

Additionally, OE leadership served as the primary point of contact for all USDA nominees for Presidentially-appointed, Senate-confirmed positions. In that capacity, OE worked with the Office of Government Ethics to ensure that the nominees' financial disclosure reports were complete and all conflict of interest concerns were appropriately addressed prior to nomination.

Finally, the Office of the Director has accomplished the following:

- Reviewed approximately 725 OGE-278 public financial disclosure reports (including more than 200 filed by departing officials and more than 110 filed by incoming filers) using, INTEGRITY.GOV as well as USDA's legacy e-filing system;
- Reviewed more than 1,000 OGE-450 confidential financial disclosure reports for its assigned Agencies;
- Distributed more than 150 different one-page "Ethics in Brief" (short synopses of topical ethics rules);
- OE's senior staff provided advice and guidance to USDA's senior leadership at weekly Subcabinet and agency heads meetings;
- Responded to a daily stream of ethics questions to ensure officials knew and understood their ethics obligations; and
- Met regularly with staff members of USDA's Office of Inspector General to discuss the application of federal ethics statutes and regulations.

The Office of the Director also coordinated and provided timely advice on USDA's charitable programs with Departmental-wide scope, such as the Combined Federal Campaign and the Feds Feed Families Campaign.

#### MISSION AREA ETHICS PROGRAMS SUPPORT BRANCH

During 2017, OE's Mission Areas Ethics Programs Support Branch (the Branch) staff, which provides ethics services to the majority of USDA employees, handled an extremely high volume of financial disclosure reports, reviewing approximately 12,500 reports to ensure that the filers' financial assets did not pose a conflict of interest with their official positions. Branch staff members worked with their agency strategic partners to ensure that the financial disclosure filers serviced by the Branch completed their annual training in a timely fashion.

Additionally, OE staff members travelled, at the invitation of their client agencies, to locations around the country to provide in-person ethics training that was carefully tailored to the intersection of the ethics rules and the mission of the agency or office. These trips allowed OE staff to provide approximately 25 hours of face to face training to USDA employees stationed in the following field locations: Kansas City, MO; Dallas, TX; Grand Junction, CO; Orlando, FL; Rocky Ford, CO; St. Joseph, MO; and Des Moines, IA.

The feedback on these sessions was extremely positive and allowed OE staff to meet with hundreds of employees who would otherwise not have the opportunity to receive in-person ethics training and ask ethics questions pertaining to their daily responsibilities. These sessions were invaluable and allowed OE to extend its limited geographical reach in a direct manner.

For the second year, OE continued to utilize six strategic action teams (Training, Outreach, Internal Training Professional Development, Financial Disclosure, Advice & Counsel, and Policy & Processes). These six OE teams

engage all OE employees in collaborative projects to develop comprehensive strategies for how OE will deliver services in its specific program area of focus. By eliminating organizational barriers and involving OE employees from across all GS-levels and office locations in the strategic planning of OE's future, these teams enhance the delivery of ethics services to USDA employees while simultaneously encouraging diverse thought and allowing all OE employees the opportunity to provide input into how OE will move forward as an organization.

Examples of deliverable results produced by the OE strategic action teams in FY 2017 include the following:

- Developed and implemented a new weekly report tracking the completion of Initial Ethics Orientation by new USDA employees within the 90-day period required by regulation;
- Created a new roster and tracking report for the training of USDA's Special Government Employees;
- Created the Office of Ethics New Employee guide, an extremely useful electronic compilation of all the resources new OE employees need in their first few weeks in the office, which includes information on time and attendance, pay and benefits, IT resources, as well as information more focused on the provision of ethics services at USDA (e.g. financial disclosure guides, SOPs, etc.);
- Updated the Ethics in the Use of Travel Cards training module;
- Continued to update the OE website ([www.ethics.usda.gov](http://www.ethics.usda.gov)), provided timely guidance to USDA employees on new ethics rules and important points of emphasis, and removed information that is out of date; and
- Established a new Standard Operating Procedure for review of requests for payment of travel expenses by non-Federal sources under 31 USC § 1353.

The work of these strategic action teams represents a concerted organizational focus on employee engagement, customer service and ownership in the office's mission.

## OFFICE OF ETHICS

### Summary of Budget and Performance

USDA has a centralized Ethics Program, the Office of Ethics (OE), which fulfills the statutory requirements of the Ethics in Government Act of 1978 as amended by the Stop Trading in Congressional Knowledge Act of 2012 (STOCK Act), the regulatory requirements of the Office of Government Ethics at 5 CFR § 2634 as well as the statutes governing political activities (the Hatch Act) and implementing regulations.

The mission of OE is to provide ethics services necessary to support all activities of USDA. That includes setting ethics policy, and providing ethics advice, counseling, training, review of disclosure reports, and conflict of interest analysis for all employees within the Department.

The activities conducted by OE support USDA's Strategic Goal #1: Ensure USDA programs are delivered efficiently, effectively, and with integrity and a focus on customer service.

#### Key Performance Measures:

Percentage of USDA employees required to receive training that do so in a timely fashion.							
	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Target	2019 Target
Percent	99	99	99	99	99	100	85

Percentage of financial disclosure reviews completed within 60 days of filing.							
	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Target	2019 Target
Percent	95	95	98	97	97	100	85

Percentage of financial disclosure filed within regulatory time limits.							
	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Target	2019 Target
Percent	99	99	99	99	99	100	85

#### Selected Past Accomplishments toward Achievement of the Key Outcome:

- Reviewed and certified more than 725 new entrant, annual, and termination public financial disclosure reports as well as Periodic Transaction Reports as required by the STOCK Act.
- Reviewed and certified more than 13,500 confidential financial disclosure reports for USDA employees.
- Provided over 20 hours of live, in-person ethics training to USDA employees outside of the National Capital Region.
- Providing live, in-person training to all USDA foreign service officers.
- Provided in-person ethics training to all incoming Administration appointees during their first days of Federal service, briefing them on the application of the conflict of interest statutes, Hatch Act rules governing political activity, gift rules and Ethics Pledge restrictions.
- Provided more than 60 hours of individual briefing sessions on the criminal post employment prohibitions.
- Collaborated with human resources officials to issue an advisory disseminating the mandatory requirements to include language regarding ethical obligations in all final job offers to new employees, new supervisors, and new employees whose positions require the submission of an OGE-450.
- Provided advice and guidance to USDA's employees on thousands of occasions and responded to a daily stream of ethics questions to ensure officials knew and understood their ethics obligations.

Selected Accomplishments Expected at the FY 2019 Proposed Resource Level:

- OE continues to provide advice, financial disclosure reviews and ethics training with a diminished ability to meet regulatory timelines due to reduced staffing.
- OE continues to operate three different electronic filing systems for financial disclosure reports, including INTEGRITY.GOV, a new electronic financial disclosure report filing system mandated by the U.S. Office of Government Ethics.