

## 2020 USDA EXPLANATORY NOTES – OFFICE OF ETHICS

Agency-Wide.....	24
Purpose Statement.....	24
Available Funds and Staff Years .....	24
Permanent Positions by Grade and Staff Years .....	24
Account 1: Salaries and Expenses .....	25
Lead-Off Tabular Statement .....	25
Appropriations Language.....	25
Project Statement .....	25
Geographic Breakdown of Obligations and Staff Years .....	26
Classification by Objects .....	26
Status of Programs .....	27

**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, 2018, there were 17 permanent full-time employees, including 15 in the headquarters office and two in the field.

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

**AVAILABLE FUNDS AND STAFF YEARS**

*Table OE-1. Available Funds and Staff Years (thousands of dollars, staff years (SY))*

Item	2017		2018		2019		2020	
	Actual	SY	Actual	SY	Annualized CR	SY	Budget	SY
Salaries and Expenses:								
Discretionary Appropriations .....	\$4,136	19	\$4,136	18	\$4,136	18	\$2,752	12
Transfers Out .....	-375	-	-290	-	-	-	-	-
Total Available .....	3,761	19	3,846	18	4,136	18	2,752	12
Lapsing Balances .....	-91	-	-75	-	-	-	-	-
Obligations.....	3,670	19	3,771	18	4,136	18	2,752	12
Ob. Under Other USDA Appr.:								
OCIO Reimbursement .....	139	1	129	1	129	1	129	1
OCFO Reimbursement .....	139	1	129	1	129	1	129	1
Total, Other USDA.....	278	2	258	2	258	2	258	2
Total, OE .....	3,948	21	4,029	20	4,394	20	3,010	14

**PERMANENT POSITIONS BY GRADE AND STAFF YEARS**

*Table OE-2. Permanent Positions by Grade and Staff Years*

Item	2017			2018			2019			2020		
	D.C.	Field	Actual Total	D.C.	Field	Actual Total	D.C.	Field	Estimate Total	D.C.	Field	Budget Total
SES .....	1	-	1	1	-	1	1	-	1	1	-	1
GS-15.....	3	-	3	3	-	3	3	-	3	3	-	3
GS-14.....	5	2	7	5	2	7	5	1	6	5	1	6
GS-13.....	3	-	3	3	-	3	2	-	2	1	-	1
GS-12.....	1	-	1	1	-	1	1	-	1	-	-	-
GS-11.....	-	-	-	1	-	1	-	-	-	1	-	1
GS-9.....	2	-	2	1	-	1	2	-	2	2	-	2
GS-7.....	1	-	1	-	-	-	-	-	-	-	-	-
Total Permanent.....	16	2	18	15	2	17	14	1	15	13	1	14
Total Perm. FT	16	2	18	15	2	17	14	1	15	13	1	14
EOY .....												
Staff Year Est.....	16	2	18	18	2	20	19	1	20	13	1	14

**ACCOUNT 1: SALARIES AND EXPENSES**

**LEAD-OFF TABULAR STATEMENT**

*Table OE-3. Lead-Off Tabular Statement*

Item	Amount
2019 Annualized Continuing Resolution.....	\$4,136,000
Change in Appropriation.....	-1,384,000
Budget Estimate, 2020 .....	<u>2,752,000</u>

**APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

Salaries and Expenses:

For necessary expenses of the Office of Ethics, \$2,752,000.

**PROJECT STATEMENT**

*Table OE-4. Project Statement (thousands of dollars, staff years (SY))*

Item	2017		2018		2019		Inc. or Dec.	Chg Key	SY	2020		
	Actual	SY	Actual	SY	Estimate	SY				Budget	SY	
Discretionary Appropriations:												
Ethics Services.....	\$4,136	19	\$4,136	18	\$4,136	18	-\$1,384	(1)	-6	\$2,752	12	
Total Appropriation.....	4,136	19	4,136	18	4,136	18	-1,384		-6	2,752	12	
Transfers Out:												
WCF .....	-375	-	-290	-	-	-	-		-	-	-	
Total Available .....	3,761	19	3,846	18	4,136	18	-1,384		-6	2,752	12	
Lapsing Balances .....	-91	-	-75	-	-	-	-		-	-	-	
Total Obligations .....	3,670	19	3,771	18	4,136	18	-1,384		-6	2,752	12	

**Ethics Services**

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 \$1,384,000 for the Office of Ethics (\$4,136,000 and 18 staff years available in 2019).

a. A decrease of \$910,000 and 6 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.

As a result of the proposed decrease in funding, OE will not be able to fill six 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 \$474,000 from non-personnel costs.

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

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS**

*Table OE-5. Geographic Breakdown of Obligations and Staff Years (thousands of dollars, staff years (SY))*

State/Territory/Country	2017 Actual	SY	2018 Actual	SY	2019 Estimate	SY	2020 Budget	SY
District of Columbia.....	\$3,430	17	\$3,434	16	\$3,969	17	\$2,583	11
Illinois.....	115	1	165	1	167	1	169	1
Oregon.....	125	1	172	1	-	-	-	-
Obligations.....	3,670	19	3,771	18	4,136	18	2,752	12
Lapsing Balances.....	91	-	75	-	-	-	-	-
Total, Available.....	3,761	19	3,846	18	4,136	18	2,752	12

**CLASSIFICATION BY OBJECTS**

*Table OE-6 Classification by Objects (thousands of dollars)*

Item No.	Item	2017 Actual	2018 Actual	2019 Estimate	2020 Budget
	Personnel Compensation:				
	Washington D.C. ....	\$1,809	\$1,802	\$2,169	\$1,402
	Personnel Compensation, Field.....	240	248	129	129
11	Total personnel compensation.....	2,049	2,050	2,298	1,531
12	Personal benefits.....	663	654	670	527
13.0	Benefits for former personnel.....	10	10	10	10
	Total, personnel comp. and benefits.....	2,722	2,714	2,978	2,068
	Other Objects:				
21.0	Travel and transportation of persons.....	6	11	13	6
23.1	Rental payments to GSA.....	2	2	2	2
23.3	Communications, utilities, and misc. charges.....	50	75	80	60
24.0	Printing and reproduction.....	41	39	42	37
25.2	Other services from non-Federal sources.....	775	744	798	473
25.3	Other goods and services from Federal sources.....	22	174	180	86
26.0	Supplies and materials.....	18	8	18	10
31.0	Equipment.....	34	4	25	10
	Total, Other Objects.....	948	1,057	1,158	684
99.9	Total, new obligations.....	3,670	3,771	4,136	2,752
	DHS Building Security Payments (included in 25.3).....	\$34	\$67	\$70	\$73
	Position Data:				
	Average Salary (dollars), ES Position.....	\$187,000	\$188,919	\$191,753	\$194,629
	Average Salary (dollars), GS Position.....	\$103,444	\$109,475	\$123,896	\$121,488
	Average Grade, GS Position.....	13.3	13.5	14.3	14.2

## **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 2018, the Office of Ethics put an emphasis on developing innovative training resources for USDA employees around the country and the world. During 2018, OE created an “Ethics Illustrated: How to Avoid Conflicts of Interest” training video. This video uses illustrations to depict ethical scenarios that might arise during the average employee’s workday and challenges the viewer to think through the implications of their potential actions. In doing so, the viewer is reminded to carefully consider the underlying ethical principles of public service and ensure that their actions further the public interest. In addition, OE continued its video ethics training series by developing another 10 videos on topics like post-employment restrictions, endorsement rules, the President’s Ethics Pledge, and the rules on gifts. To date, OE has developed more than 20 ethics training videos, which are publicly available as a resource on USDA’s YouTube page.

At the same time, OE employees provided more in-person outreach to USDA employees outside of the Capital region than at any other time in the office’s history. During 2018, OE employees provided live training to employees at the following 21 locations: Boston, MA; Lexington, KY; Richmond, VA; Annapolis, MD; Bloomington, IL; University of Illinois at Champaign-Urbana; University of Wisconsin at Madison; Albuquerque, NM; Taos, NM; Ruidoso, NM; Fort Worth, TX; Portland, OR; Columbia, MO; Fort Collins, CO; Milwaukee, WI; New York, NY; Kansas City, MO; Breckenridge, CO; Champaign, IL; Indianapolis, IN; and Bangor, ME. These trainings addressed common ethics issues faced by Federal employees stationed outside DC (e.g., gifts, conflicts of interest, seeking employment) and incorporated extensive question and answer portions. While OE makes full use of distance training techniques, the impact of in-person training is extremely powerful and the feedback received from USDA employees following these sessions was very positive.

During 2018, the OE’s innovation in the intersection of technology and ethics was recognized when USDA’s Ethics App was named a “Top 8 Finalist” by the American Council for Technology and Industry Advisory Council’s Innovation awards. The USDA Ethics App finished in the top 8 finalists, out of 150 innovations during the past year. The USDA Ethics App provides short, easy-to-read summaries of federal ethics rules and Hatch Act limitations on political activity. The App 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. The App also contains a resources section, so USDA employees can readily contact an ethics advisor at USDA. Though this groundbreaking application was designed to make compliance with the federal ethics rules a one-stop-shop for USDA employees, the App is available to anyone with Android or Apple devices.

Additionally, in 2018, OE completed another successful year of electronic filing for USDA’s approximately 830 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 12,800 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 sixth consecutive year, at least 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 is the sole office providing ethics services to 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**

In 2018, Office of the Director staff provided ethics orientation briefings for all 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 those 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 resolved prior to nomination.

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

Reviewed approximately 830 OGE-278 public financial disclosure reports (including more than 200 filed by new filers) using, INTEGRITY.GOV as well as USDA's legacy e-filing system;

Reviewed more than 800 OGE-450 confidential financial disclosure reports for its assigned Agencies;

Distributed more than 175 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 meetings;

Responded to several thousand 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.

#### MISSION AREA ETHICS PROGRAMS SUPPORT BRANCH

During 2018, OE's Mission Areas Ethics Programs Support Branch (the Branch) staff, which provides ethics services to the majority of USDA employees including all employees in USDA's eight mission areas, reviewed approximately 12,000 reports to ensure that the filers' personal financial assets did not pose a conflict of interest with their official duties. 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.

OE continued to utilize six strategic action teams (Training, Outreach, Internal Training Professional Development, Financial Disclosure, Advice & Counsel, and Policy & Processes) to engage all OE employees in collaborative projects to develop comprehensive strategies for how OE will deliver services to fulfill its mission. 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 enhanced 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 2018 include the following:

Creation of monthly "Virtual Ethics Moments": these email announcements and accompanying OE-created videos provide short reminders on the ethics rules and are an excellent means of building and establishing client relationships throughout USDA;

Comprehensive review of all OE training modules hosted on our website and on Aglearn. This process resulted in the deactivation of outdated modules to better highlight the excellent, up to date, training products that OE has developed;

Development of an annual ethics training module for 2018 which combined OE-produced videos with a series of "check your knowledge" questions to ensure that the learning points were reinforced;

Development of standardized guidance related to GoFundMe campaigns and the gift rules;

Revision of the Financial Disclosure and Training pages on the OE website;

"Agency Highlights" presentations where OE staff members educate their colleagues on the mission of their assigned agencies as well as any quirks or specific issues that arise in those agencies;

Development of a new form to review and approve "widely attended gatherings"; and

Revision of the AD-1101 form to review and approve acceptance of sponsored travel under 31 USC 1353.

The Branch Office 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.