

**2021 USDA EXPLANATORY NOTES – EXECUTIVE OPERATIONS:  
OFFICE OF ETHICS**

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## **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, 2019, there were 19 permanent full-time employees, including 18 in the headquarters office and one 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))

**Office of Ethics  
(Dollars in Thousands)**

Item	2018		2019		2020		2021	
	Actual	SY	Actual	SY	Enacted	SY	Budget	SY
Salaries and Expenses:								
Discretionary Appropriations	\$4,136	18	\$4,136	19	\$4,136	19	\$4,222	19
Transfers Out	-290	-	-300	-	-	-	-	-
Adjusted Appropriation	\$3,846	18	\$3,836	19	\$4,136	19	\$4,222	19
Lapsing Balances	-\$75	-	-\$155	-	-	-	-	-
Total Available	\$3,771	18	\$3,681	19	\$4,136	19	\$4,222	19
OCIO Reimbursement	129	1	135	1	135	1	135	1
OCFO Reimbursement	129	1	135	1	135	1	135	1
Total Other USDA	\$258	2	\$270	2	\$270	2	\$270	2
Total, OIA	\$ 4,029	20	\$ 3,951	21	\$ 4,406	21	\$ 4,492	21

**PERMANENT POSITIONS BY GRADE AND STAFF YEAR**

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

Item	2018 Actual			2019 Actual			2020			2021 Budget		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Enacted	D.C.	Field	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	6	1	7	6	1	7	6	1	7
GS-13	3	-	3	3	-	3	4	-	4	4	-	4
GS-12	1	-	1	4	-	4	3	-	3	3	-	3
GS-11	1	-	1	1	-	1	1	-	1	1	-	1
GS-9	1	-	1	-	-	0	-	-	-	-	-	-
Total Permanent	15	2	17	18	1	19	18	1	19	18	1	19
Unfilled, EOY	-	-	-	-	-	-	-	-	-	-	-	-
Total Perm. FT EOY	15	2	17	18	1	19	18	1	19	4	1	19
Staff Year Est	18	2	20	20	1	21	20	1	21	20	1	21

**ACCOUNT 1: SALARIES AND EXPENSES**

**Lead-Off Tabular Statement**

Table OE-3. Lead-Off Tabular Statement

**OFFICE OF ETHICS**

2020 Appropriations/Enacted.....	\$4,136,000
Change in Appropriation.....	86,000
<b>2021 Request,.....</b>	<b><u>4,222,000</u></b>

**APPROPRIATIONS LANGUAGE**

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

Salaries and Expenses:

For necessary expenses of the Office of Ethics, [~~\$4,136,000~~] \$4,222,000.

**PROJECT STATEMENT**

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

**Office of Ethics  
(Dollars in Thousands)**

Program/Activity	2018		2019		2020		2021		Change from	
	Actual		Actual		Enacted		Budget Request		2020 Estimate	
	<u>B.A.</u>	<u>SY</u>	<u>B.A.</u>	<u>SY</u>	<u>B.A.</u>	<u>SY</u>	<u>B.A.</u>	<u>SY</u>	<u>B.A.</u>	<u>SY</u>
Direct Appropriations:										
Ethic Services	\$4,136	18	\$4,136	\$19	\$4,136	\$19	\$4,222	19	\$86	0
<b>Total, Discretionary.....</b>	<b>\$4,136</b>	<b>18</b>	<b>\$4,136</b>	<b>19</b>	<b>\$4,136</b>	<b>19</b>	<b>\$4,222</b>	<b>19</b>	<b>86</b>	<b>0</b>
Transfers Out	-290	-	-300	-	-	-	-	-	-	-
<b>Total, Available.....</b>	<b>\$3,846</b>	<b>18</b>	<b>\$3,836</b>	<b>19</b>	<b>\$4,136</b>	<b>19</b>	<b>\$4,222</b>	<b>19</b>	<b>\$86</b>	<b>0</b>
Lapsing Balances.....	\$(75)	-	\$(155)	-	-	-	-	-	-	-
<b>Total Obligations .....</b>	<b>\$3,771</b>	<b>18</b>	<b>\$3,681</b>	<b>19</b>	<b>\$4,136</b>	<b>19</b>	<b>\$4,222</b>	<b>19</b>	<b>\$86</b>	<b>0</b>

## JUSTIFICATIONS OF INCREASES/DECREASES

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.

### **The Office of Ethics Salary and Expenses: An increase of \$86,000 (\$4,136,000 available in the FY 2020 Appropriations).**

(1) An increase of \$86,000

The funding change is requested for the following items:

A) An increase of \$32,620 for pay costs (\$14,937 for annualization of the 2020 pay increase and \$17,683 for the 2021 pay increase).

This increase will support the pay increase for civilian employees. This increase will allow the OE to continue to perform its mission, to implement USDA's ethics program throughout the Department. This critical increase is needed to support and maintain current staffing levels to meet the program demands and statutory requirements imposed on OE. Elimination of the pay cost increase means the OC would not be able to fund approximately .5 FTE and/or would need to significantly cut travel, training, and mission support. Approximately 81 percent of our budget supports personnel compensation and benefits. Failure to receive this increase would prevent us from fully performing our mission, which is necessary to ensure OE can continue support for all areas of the Department.

B) An increase of \$23,580 for performance awards.

This increase will support a 1 percentage point increase in awards spending, consistent with objectives outlined in the President's Management Agenda, to enhance workforce development. Without this additional funding, OE will be unable to absorb these costs in FY 2021, resulting in reductions to planned hiring levels, eroding USDA's ability to meet key priorities contained in this Budget.

C) An increase of \$29,800 for the Department's increased contribution to the Federal Employees Retirement System (FERS).

This increase will cover the expenses for the mandated increase of USDA's contribution to FERS. These increases were effective January 1, 2020, and impact approximately 19 employees' retirement packages

**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	2018		2019		2020		2021	
	Actual	SY	Actual	SY	Enacted	SY	Budget	SY
District of Columbia	3,434	16	3,810	18	3,963	18	4,042	18
Illinois	165	1	171	1	173	1	180	1
Oregon	172	1	-	-	-	-	-	-
Obligations	3,771	18	3,981	19	4,136	19	4,222	19
Lapsing Balances	-	-	155	-	-	-	-	-
Total, Available	3,771	18	4,136	19	4,136	19	4,222	19

**CLASSIFICATION BY OBJECTS**

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

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
	Personnel Compensation:				
	Washington D.C.	\$1,802	\$2,160	\$2,312	\$2,440
	Personnel Compensation, Field	248	128	135	141
11	Total personnel compensation	2,050	2,288	2,447	2,581
12	Personnel benefits	654	699	788	827
13	Benefits for former personnel	10	2	15	15
	Total, personnel comp. and benefits	2,714	2,989	3,250	3,423
	Other Objects:				
21	Travel and transportation of persons	11	21	23	24
23.1	Rental payments to GSA	2	2	2	2
23.3	Communications, utilities, and misc. charges	75	67	80	81
24	Printing and reproduction	39	38	39	40
25	Other contractual services				
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	744	302	437	345
25.3	Other goods and services from Federal sources	174	159	175	176
25.4	Operation and maintenance of facilities	-	-	-	-
26	Supplies and materials	8	102	105	106
31	Equipment	4	-	25	25
	Total, Other Objects	1,057	691	886	799
99.9	Total, new obligations.....	3,771	3,680	4,136	4,222
	DHS Building Security Payments (included in 25.3)	\$67	\$12	\$13	\$15
	Position Data:				
	Average Salary (dollars), ES Position	\$188,919	\$192,300	\$195,185	\$198,112
	Average Salary (dollars), GS Position	\$109,475	\$116,444	\$125,100	\$126,977
	Average Grade, GS Position	13.5	13.6	13.6	13.6

**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 2019, the Office of Ethics emphasized in-person outreach to USDA employees outside of the Washington, DC area in two important ways. First, OE designed and implemented its “Ethics Clinic” training initiative. As part of this initiative, OE targeted Georgia (Atlanta and Athens) and Colorado (Denver and Fort Collins) as areas in the field with a large population of USDA employees that could be reached in a cost-effective manner. As part of this first-of-its-kind training initiative, OE employees travelled as a group to each of the locations to spend approximately one week providing multiple training sessions and meeting with USDA client organizations at their home offices. OE’s advisors also held “office hours” to provide ethics advice and counsel to employees who wanted to discuss their ethics questions in person. These novel outreach events, which required a great deal of teamwork and preparation, significantly increased the office’s level of engagement with USDA employees outside of the capital region. The Ethics Clinics also highlighted the availability of ethics advice and training for all USDA employees. OE intends to provide additional Ethics Clinics in the future, subject to the availability of funding.

OE continued to emphasize live ethics training by efficiently using its modest resources provide ethics training sessions to employees throughout the country. In addition to the Ethics Clinics, OE employees provided live ethics training to employees at the following 18 locations during 2019: Detroit MI; Wisconsin Dells, WI; Kansas City, MO (2 trips); Salt Lake City, UT; Midway, UT; New Orleans, LA; Riverdale, MD; Breezewood, PA; Beltsville, MD; Williamsburg, VA; Raleigh, NC; Champaign, IL; Madison, WI; Bloomington, IL; Bangor, ME; Philadelphia, PA; St. Louis, MO; and Jackson, MS. These trainings were delivered by OE ethics experts and were tailored to the needs of the USDA agencies receiving the training. They addressed common ethics issues faced by Federal employees stationed outside DC (e.g., gifts, conflicts of interest, seeking employment) and incorporated hypothetical examples to bring the ethics rules to life. Although OE continues to leverage distance training techniques, the impact of in-person training is extremely powerful and the feedback received from USDA employees following these sessions indicates that they are very much appreciative of the opportunity to engage with ethics officials in person.

In 2019, the USDA Office of Ethics also upgraded and improved the Federal government’s first-of-its-kind Ethics Mobile Application: the USDA Ethics App. The 2.0 version of the Ethics App, which is available to all Federal employees and members of the public, includes an Ethics Updates section that highlights the latest current topics. The Ethics App also now contains another Federal government first -- an interactive Ethics Game – which provides long-distance

Ethics learning right to the palm of the user’s hand. The new Ethics Test Your Knowledge Game allows the user to travel the path of a Federal employee from their very first day on the job, through work projects and promotions to retirement. The user encounters the real-life ethical challenges that Federal employees face, and -- at each decision point -- decides which steps to take. The Game provides instant feedback and at the end each user will receive a score. The Video Section of the App has been expanded to include 16 videos created by OE. This section of the App now includes several firsts: The Federal government’s first animated Ethics video (“Ethics Illustrated”), a video on the Hatch Act and Social Media, and the Federal government’s first videos on the White House’s Ethics Pledge for political appointees. The updated App also includes even more ethics one-pagers.

In 2019, 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 2019, 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.

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.

The Office of the Director has accomplished the following:

- Reviewed approximately 840 OGE-278 public financial disclosure reports (including more than 120 filed by new filers) using, INTEGRITY.GOV as well as USDA’s legacy e-filing system.



- Reviewed more than 840 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 meetings.
- Responded to several thousand ethics questions to ensure officials knew and understood their ethics obligations.
- Met regularly with staff members of USDA’s Office of Inspector General to discuss the application of federal ethics statutes and regulations to OIG inquiries.

### ***MISSION AREA ETHICS PROGRAMS SUPPORT BRANCH***

During 2019, 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 13,000 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. These teams, which involve OE employees across all GS-levels and office locations in the strategic planning of OE’s future, enhance the delivery of ethics services to USDA employees by encouraging diverse thought and employee input into how OE will move forward as an organization.

Examples of deliverable results produced by the OE strategic action teams in FY 2019 include the following:

- Creation of quarterly “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.
- New Training Modules: Developed specific training modules on the following ethics topics: 1) Seeking Employment 2) Post-Employment 3) Conflicts of Interest 4) Gifts and 5) Political Activity.
- Development of a new annual ethics training module for 2019 which covered all mandatory annual training topics and concluded with an engaging series of “check your knowledge” questions to ensure that the learning points were reinforced.
- Developed an OE Mentor Checklist.
- Created a Consolidated Training Course list.
- Revision of the Financial Disclosure and Training sections of 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.