

2018 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 early-2016 and combined the four branches that were previously in existence into one unified Mission Areas Ethics Programs Support Branch. The reorganization provides a more effective and flexible structure for OE to utilize existing resources to successfully address the growing needs of the Department's mission areas for ethics training, advice, and the review of over 14,000 financial disclosure reports. The realignment of the four branches into one combined branch eliminates structural barriers and enhances the communication of information and the delivery of ethics services while also providing greater avenues for professional development and for the cross-utilization of employees. This effort aligns with the Department's goal to improve business processes and modernize business operations.

As of September 30, 2016, there were 19 permanent full-time employees, including 17 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.

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Available Funds and Staff Years (SYs)

(Dollars in thousands)

Item	2015 Actual		2016 Actual		2017 Estimate		2018 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
	Salaries and Expenses:							
Discretionary Appropriations.....	\$3,654	18	\$3,654	17	\$3,647	19	\$3,538	18
Lapsing Balances.....	-693	-	-758	-	-	-	-	-
Obligations.....	2,961	18	2,896	17	3,647	19	3,538	18
Obligations under other USDA appropriations:								
OCIO Reimbursement.....	119	1	125	1	139	1	139	1
OCFO Reimbursement.....	119	1	125	1	139	1	139	1
Total, Agriculture Appropriations..	238	2	250	2	278	2	278	2
Total, OE.....	3,199	20	3,146	19	3,925	21	3,816	20

Permanent Positions by Grade and Staff Year Summary

Item	2015 Actual			2016 Actual			2017 Estimate			2018 President's Budget		
	Wash.			Wash.			Wash.			Wash.		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
SES.....	1	-	1	1	-	1	1	-	1	1	-	1
GS-15.....	1	-	1	1	-	1	3	-	3	3	-	3
GS-14.....	7	1	8	6	2	8	5	2	7	4	2	6
GS-13.....	1	-	1	4	-	4	3	-	3	3	-	3
GS-12.....	6	-	6	1	-	1	1	-	1	2	-	2
GS-11.....	-	-	-	1	-	1	1	-	1	-	-	-
GS-9.....	2	-	2	2	-	2	2	-	2	5	-	5
GS-7.....	-	-	-	1	-	1	3	-	3	-	-	-
Total, Perm. Full-Time Employment, EOY.....	18	1	19	17	2	19	19	2	21	18	2	20
Staff Year Est.....	18	1	19	19	2	19	19	2	21	18	2	20

OFFICE OF ETHICS

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, [~~\$3,654,000~~] \$3,538,000.

Lead-Off Tabular Statement

Budget Estimate, 2018.....	\$3,538,000
2017 Annualized Continuing Resolution.....	<u>3,647,000</u>
Change in Appropriation.....	<u><u>-109,000</u></u>

Summary of Increases and Decreases - Current Law

(Dollars in thousands)

Program	2015 Actual	2016 Change	2017 Change	2018 Change	2018 President's Budget
Discretionary Appropriations:					
Office of Ethics.....	\$3,654	-	-\$7	-\$109	\$3,538

Project Statement

Adjusted Appropriations Detail and Staff Years (SYs)

(Dollars in thousands)

Program	2015 Actual		2016 Actual		2017 Estimate		Inc. or Dec.		2018 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Discretionary Appropriations:										
Ethics Services.....	\$3,654	18	\$3,654	19	\$3,647	19	-\$109 (1)	-1	\$3,538	18
Lapsing Balances.....	-693		-758		-		-		-	
Total Obligations.....	<u>2,961</u>	<u>18</u>	<u>2,896</u>	<u>19</u>	<u>3,647</u>	<u>19</u>	<u>-109</u>	<u>-1</u>	<u>3,538</u>	<u>18</u>

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

Program	2015 Actual		2016 Actual		2017 Estimate		Inc. or Dec.		2018 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Discretionary Obligations:										
Ethics Services.....	\$2,961	18	\$2,896	19	\$3,647	19	-\$109 (1)	-1	\$3,538	18
Lapsing Balances.....	693	-	758	-	-	-	-	-	-	-
Total Appropriation.....	3,654	18	3,654	19	3,647	19	-109	-1	3,538	18

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 \$109,000 for the Office of Ethics (\$3,647,000 and 21 staff years available in 2017).

a. An increase of \$65,000 for pay costs (\$15,000 for annualization of the 2017 pay increase and \$50,000 for the 2018 pay raise).

The proposed funding level is needed to cover pay and benefit cost increases for existing staff. This will ensure adequate resources are available to continue to allow OE to carry out its full range of responsibilities and support program delivery.

b. An increase of \$17,000 for DHS Building Security Payments

The proposed funding level is needed to cover OE’s share of payments to the Department of Homeland Security for building security activities.

c. A decrease of \$191,000 and 1 staff year for an unfilled vacant position.

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. Funding at the current services level would allow OE to maintain basic ethics services and continue to provide ethics program oversight, execution, and information to the Secretary and other senior policy officials to support the Department’s compliance with ethics laws and regulations.

USDA's Office of Ethics is significantly smaller than other comparable Cabinet-level Departments' Ethics offices. Based on information provided by the Office of Government Ethics, the average ratio of ethics advisors per agency employee across the Executive Branch is 491 employees serviced per one ethics advisor. At current levels, OE has a staffing ratio of one OE staff member per 5,000 serviced USDA employees, more than ten times the Executive Branch average.

As a result of the proposed decrease in funding, OE will not be able to fill a vacancy for a GS-14 Ethics Advisor. This position provides ethics training targeted to high-risk groups of employees working in the sensitive, high-dollar areas of government contracting, information technology acquisitions, meat inspections, grain inspections, scientific research, loan-making for farmers and grant-making for rural communities. Due to the complexity of the ethics rules, there is a heightened need for Department-wide ethics training and individual counseling to ensure that the Department's employees across the country avoid ethics violations that could result in criminal investigations, and scandals undermining the public's confidence in USDA and its programs.

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

State/Territory	2015 Actual		2016 Actual		2017 Estimate		2018 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
District of Columbia.....	\$2,847	17	\$2,672	17	\$3,405	17	\$3,296	16
Illinois.....	-	-	110	1	116	1	116	1
Oregon.....	114	1	114	1	126	1	126	1
Obligations.....	2,961	18	2,896	19	3,647	19	3,538	18
Lapsing Balance.....	693		758		-		-	
Total, Available.....	3,654	18	3,654	19	3,647	19	3,538	18

OFFICE OF ETHICS

Classification by Objects

(Dollars in thousands)

	2015	2016	2017	2018
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>President's Budget</u>
Personnel Compensation:				
Washington D.C.....	\$1,780	\$1,523	\$1,739	\$1,782
Field.....	114	224	242	245
11 Total personnel compensation.....	1,894	1,747	1,981	2,027
12 Personnel benefits.....	625	640	698	717
13.0 Benefits for former personnel.....	10	10	10	10
Total, personnel comp. and benefits.....	2,529	2,397	2,689	2,754
Other Objects:				
21 Travel and transportation of persons.....	2	4	17	21
23.3 Communications, utilities, and misc. charges.....	30	59	61	42
24 Printing and reproduction.....	44	132	161	111
25.2 Other services.....	226	240	507	532
25.3 Other purchases of goods and services from Federal sources.....	17	22	48	23
26.0 Supplies and materials.....	98	8	45	30
31.0 Equipment.....	15	34	119	25
Total, Other Objects.....	432	499	958	784
99.9 Total, new obligations.....	2,961	2,896	3,647	3,538
DHS Building Security Payments (included in 25.3).....	\$17	\$22	\$22	\$22
Position Data:				
Average Salary (dollars), ES Position.....	\$183,300	\$185,100	\$187,000	\$189,000
Average Salary (dollars), GS Position.....	\$90,036	\$90,595	\$98,000	\$97,761
Average Grade, GS Position.....	13.1	12.5	13.2	13.1

OFFICE OF ETHICS

Status of Programs

Current Activities

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.

In 2016, OE completed another successful year of electronic filing for USDA's approximately 700 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 14,000 confidential financial disclosure reports (OGE-450). Moreover, for the first time, OE successfully began implementing INTEGRITY.GOV, a new electronic financial disclosure report filing system mandated by the U.S. Office of Government Ethics (OGE), for USDA's new OGE-278 filers. Existing filers continue to use USDA's legacy e-filing system. In addition, for the fourth 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.

During 2016, OE conducted more live, in-person, training of USDA employees than at any other time in the office's history. All told, OE officials provided more than 125 hours of live ethics training to USDA officials during 2016, a volume which exceeded previous levels. These training sessions were carefully tailored to the needs and interests of the employees in attendance and included open question and answer sessions which encouraged valuable discussions between OE officials and their clients. As one example, OE trained nearly 1,000 employees at USDA's National Finance Center through four separate training sessions conducted in one day. The ethics trainings conducted by OE were extremely well-received and garnered extremely positive reviews from employees in attendance. Additionally, as described below, OE has taken important steps to develop new distance training modules in addition to existing modules that can be accessed by USDA employees spread throughout the world on a 24/7 basis.

As noted above, the Office of Ethics serves the entire Department and all component agencies. 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 early-2016 and combined the four branches that were previously in existence into one unified Mission Areas 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 took a two-pronged approach to ethics training in 2016 by: 1) providing live in-person training to thousands of USDA employees; and 2) developing innovative video training modules that can be easily accessed by USDA employees around the world on demand to fit their schedule.

First, OE's senior staff members delivered a record amount of in-person ethics training to employees both in the DC region and around the country. During 2016, members of OE's staff provided an average of more than two hours of live training per week, a volume that would be matched by few, if any, ethics programs throughout the Federal government. These sessions range from "Ethics in Brief" presentations that are quick-paced and update USDA's most senior officials on current developments in government ethics to more comprehensive 1-2 hour sessions on ethics topics that are especially relevant to particular agencies in USDA.

Second, OE leveraged technology to develop training resources that can be accessed 24 hours a day, 7 days a week via AGLearn and OE's website (www.ethics.usda.gov). To more effectively reach those USDA employees outside of the DC region, OE partnered with the USDA Office of Communications (OC) to develop a series of 10 short ethics training videos that are focused on the issues most commonly facing USDA employees in the field, including political activity, gifts, conflicts of interest and impartiality. These videos are now available on OE's YouTube page at <https://goo.gl/Db9wcm> and serve as an excellent means of raising awareness of the ethics rules throughout USDA and, importantly, provide USDA employees with information on how to contact OE if they have any questions about the application of the ethics statutes and regulations that govern their actions as Federal employees.

Similarly, in 2016, OE created a training entitled "Ethics: What you need to know as a USDA Employee" discussing the five major themes that underpin the ethics rules. This comprehensive one hour presentation was filmed and delivered to USDA employees using USDA's AGLearn e-learning platform and was used for USDA's 2016 annual ethics training. The feedback for the presentation from users was overwhelmingly positive, receiving a 4 out of 5 star rating average from more than 5,000 responses. From the responses, 93 percent indicated that they "Liked," "Really Liked," or "Loved" the video.

To address those employees who would prefer to access ethics information in a written format, OE developed a pocket-sized "Ethics Guide for U.S. Department of Agriculture Employees." This 43-page guide, which will be distributed to supervisors and managers throughout USDA, provides short synopses of the Federal ethics rules and can be used as a quick reference guide for USDA officials as they conduct the important work they do on behalf of the American people.

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

- Reviewed approximately 700 new entrant, annual, and termination OGE-278 public financial disclosure reports using, for the first time, 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 120 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
- Provided guidance on the ethics rules to USDA's Office of Inspector General.

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 Program Support Branch

The 2016 reorganization provided a more effective and flexible structure for the Office of Ethics to utilize existing resources to successfully address the growing needs of the Department's mission areas for ethics training, advice, and the review of over 14,000 financial disclosure reports. The realignment of the four branches into one combined branch eliminated structural barriers and enhanced the communication of information and the delivery of ethics services while also providing greater avenues for professional development and for the cross-utilization of employees. This effort aligned with the Department's goal to improve business processes and modernize business operations.

During 2016, 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. Additionally, 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.

To eliminate organizational barriers and involve OE employees from across all GS-levels and office locations in the strategic planning of OE's future, OE established six strategic action teams (Training, Outreach, Internal Training Professional Development, Financial Disclosure, Advice and Counsel, and Policy and Processes). These teams enhance the delivery of ethics services to USDA employees while simultaneously enhancing employee engagement by encouraging diverse thought and allowing all OE employees the opportunity to provide input into how OE will move forward as an organization. Each team developed a mission statement, set priorities for the coming year and began addressing the most significant of those priorities. Examples of deliverable results produced by the OE strategic action teams in FY 2016 include the following:

- Four client "meet and greet" events to allow OE staff to meet or reintroduce themselves to their client points of contact throughout the department;
- A new Standard Operating Procedure for review of outside employment requests;
- A new employee orientation module to replace the previous version which was more than a decade old;
- An OE-wide skills assessment survey to identify the most pressing professional development needs of OE staff. The data gleaned from the survey will be used to develop internal training sessions to address the areas of greatest need; and
- Standardized and streamlined financial disclosure notice templates and timelines for use throughout OE, replacing the branch-specific financial disclosure notice templates.

The implementation of these strategic action teams represents a sea change in the operation of OE as an organization with a high 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 Department will be revising the USDA Strategic Plan later in the spring and expects to release it with the President’s Budget.

Key Performance Measures:

Percentage of USDA employees required to receive training that do so in a timely fashion.							
	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Target	2018 Target
Percent	95	99	99	99	100	100	100

Percentage of financial disclosure reviews completed within 60 days of filing.							
	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Target	2018 Target
Percent	75	95	95	98	97	100	100

Percentage of financial disclosure filed within regulatory time limits.							
	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Target	2018 Target
Percent	-	99	99	99	99	100	100

Selected Past Accomplishments toward Achievement of the Key Outcome:

- Reviewed and certified more than 705 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 125 hours of live ethics training, more than USDA has ever provided in the past.
- Developed a pocket-sized “Ethics Guide for U.S. Department of Agriculture Employees.”
- Created a training entitled “Ethics: What you need to know as a USDA Employee” discussing the five major themes that underpin the ethics rules.
- Provided more than 125 individual briefing sessions on the criminal post employment prohibitions.
- Created new long-distance ethics orientation training module fully compliant with the new requirements of 5 CFR Section 2638.
- 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 2018 Proposed Resource Level:

- 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.