

**2024 USDA EXPLANATORY NOTES – OFFICE OF ETHICS**

*Table of Contents*

Preface ..... 3

Agency-Wide ..... 3

    Purpose Statement ..... 3

    OIG and GAO Reports ..... 3

    Available Funds and FTEs ..... 4

    Permanent Positions by Grade and FTEs ..... 4

Account 1: Salaries and Expenses ..... 4

    Appropriations Language ..... 4

    Lead-Off Tabular Statement ..... 4

    Project Statements ..... 5

    Geographic Breakdown of Obligations and FTEs ..... 6

    Status of Program ..... 9

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**PREFACE**

This publication summarizes the fiscal year (FY) 2024 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2024 Budget, unless otherwise noted. All references to years refer to fiscal year, except where specifically noted. The budgetary tables throughout this document show actual amounts for 2021 and 2022, enacted levels for 2023, and the President’s Budget request for 2024. Amounts for 2023 estimated levels include: non-enacted amounts such as Full-Time Equivalent levels, fleet levels, information technology investment levels, recovery levels, transfers in and out, balances available end of year, and obligation levels.

Throughout this publication, the “2018 Farm Bill” is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill are funded through 2023. Amounts shown in 2024 for most Farm Bill programs reflect those confirmed in the baseline.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2021, 2022, 2023 and 2024.

**AGENCY-WIDE****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, 2022, there were 20 permanent full-time employees, including 19 in the headquarters office and one in the field.

The United States Office of Government Ethics (OGE) conducted a review of the USDA Ethics Program in 2022. The review covered program activities for calendar year 2021 and the program review report, which is publicly available on OGE’s website ([www.oge.gov](http://www.oge.gov)), was issued on June 28, 2022. The report, which evaluated all aspects of the USDA ethics program, highlighted three key areas:

- OGE noted that OE’s staffing has been significantly reduced.
- OGE highlighted three USDA “model agency practices” that are worthy of emulation by other Federal agencies including the USDA Ethics Mobile App, the USDA-NASA Training Game, and the free ethics videos posted on USDA’s YouTube page.
- OGE noted that improvements were needed for the timely certification of public financial disclosure reports and filing of new entrant confidential financial disclosure reports. OGE also recommended ensuring that all Special Government Employees complete their financial disclosure reports and training in a timely fashion.

**OIG AND GAO REPORTS**

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

**AVAILABLE FUNDS AND FTEs**

**Table OE-1. Available Funds and FTEs (thousands of dollars, FTEs)**

Item	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Salaries and Expenses:								
Discretionary Appropriations .....	\$4,019	20	\$4,277	20	\$5,556	26	\$6,958	32
Total Discretionary Appropriations .....	4,019	20	4,277	20	5,556	26	6,958	32
Total Adjusted Appropriation.....	4,019	20	4,277	20	5,556	26	6,958	32
Total Available .....	4,019	20	4,277	20	5,556	26	6,958	32
Lapsing Balances.....	-98	-	-82	-	-	-	-	-
Total Obligations .....	3,921	20	4,195	20	5,556	26	6,958	32
Total Obligations, OE.....	3,921	20	4,195	20	5,556	26	6,958	32
Other USDA:								
OCIO Reimbursement .....	149	1	155	1	166	1	166	1
OCFO Reimbursement .....	149	1	155	1	166	1	166	1
Total, Other USDA.....	298	2	310	2	332	2	332	2
Total, Agriculture Available .....	4,317	22	4,587	22	5,888	28	7,290	34
Total Available, OE.....	4,317	22	4,587	22	5,888	28	7,290	34

**PERMANENT POSITIONS BY GRADE AND FTEs**

**Table OE-2. Permanent Positions by Grade and FTEs**

Item	2021			2022			2023			2024		
	D.C.	Field	Actual Total	D.C.	Field	Actual Total	D.C.	Field	Estimated Total	D.C.	Field	Estimated Total
SES.....	1	-	1	1	-	1	1	-	1	1	-	1
SL .....	1	-	1	1	-	1	1	-	1	1	-	1
GS-15.....	2	-	2	2	-	2	5	-	5	5	-	5
GS-14.....	5	1	6	5	1	6	7	1	8	9	1	10
GS-13.....	3	-	3	3	-	3	3	-	3	7	-	7
GS-12.....	4	-	4	4	-	4	4	-	4	4	-	4
GS-11.....	1	-	1	1	-	1	2	-	2	2	-	2
GS-9.....	-	-	-	2	-	2	2	-	2	2	-	2
GS-7.....	2	-	2	-	-	-	-	-	-	-	-	-
Total Permanent	19	1	20	19	1	20	25	1	26	31	1	32
Total Perm. FT												
EOY.....	19	1	20	19	1	20	25	1	26	31	1	32
FTE.....	19	1	20	19	1	20	25	1	26	31	1	32

**ACCOUNT 1: SALARIES AND EXPENSES**

**APPROPRIATIONS LANGUAGE**

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

*Salaries and Expenses*

For the necessary expenses of the Office of Ethics, [~~\$5,556,000~~]\$6,958,000.

**LEAD-OFF TABULAR STATEMENT**

**Table OE-3. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Estimate, 2023	\$5,556,000
Change in Appropriation	+ 1,402,000
Budget Estimate, 2024	<u>6,958,000</u>

**PROJECT STATEMENTS**

**Table OE-4. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)**

Item	2021		2022		2023		2024		Inc. or Dec.	FTE Inc. or Dec.	Chg Key
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE			
Discretionary Appropriations:											
Ethics Services.....	\$4,019	20	\$4,277	20	\$5,556	26	\$6,958	32	+\$1,402	+6	(1)
Subtotal.....	4,019	20	4,277	20	5,556	26	6,958	32	+1,402	+6	
Total Adjusted Approp .....	4,019	20	4,277	20	5,556	26	6,958	32	+1,402	+6	
Total Appropriations.....	4,184	20	4,277	20	5,556	26	6,958	32	+1,402	+6	
Transfers Out:											
Working Capital Fund .....	-165	-	-	-	-	-	-	-	-	-	-
Total Transfers Out.....	-165	-	-	-	-	-	-	-	-	-	-
Total Available .....	4,019	20	4,277	20	5,556	26	6,958	32	+1,402	+6	
Lapsing Balances.....	-98	-	-82	-	-	-	-	-	-	-	-
Total Obligations .....	3,921	20	4,195	20	5,556	26	6,958	32	+1,402	+6	

**Table OE-5. Project Statement on Basis of Obligations (thousands of dollars, FTEs)**

Item	2021		2022		2023		2024		Inc. or Dec.	FTE Inc. or Dec.
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE		
Discretionary Obligations:										
Ethics Services.....	\$3,921	20	\$4,195	20	\$5,556	26	\$6,958	32	+\$1,402	+6
Another Program .....	-	-	-	-	-	-	-	-	-	-
Subtotal Disc Obligations	3,921	20	4,195	20	5,556	26	6,958	32	+1,402	+6
Total Obligations .....	3,921	20	4,195	20	5,556	26	6,958	32	+1,402	+6
Add back:										
Lapsing Balances.....	98	-	82	-	-	-	-	-	-	-
Total Available .....	4,019	20	4,277	20	5,556	26	6,958	32	+1,402	+6
Less:										
Total Transfers Out.....	165	-	-	-	-	-	-	-	-	-
Total Appropriations.....	4,184	20	4,277	20	5,556	26	6,958	32	+1,402	+6

**USDA Ethics Program**

Base funds will allow the Office of Ethics (OE) to continue operating the Department’s Ethics Program and implementing the statutory and regulatory requirements to raise employee awareness and compliance with ethics laws. The Ethics in Government Act, 5 U.S.C. App 4 (the Act), established the mandatory 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). As such, OE is the sole office that provides ethics services to the Secretary of Agriculture and employees at all levels of USDA concerning advice, training, financial disclosure reviews, and guidance about compliance with criminal conflict of interest statutes (18 U.S.C. 201-209) 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.

Continuing the base funding is crucial to ensuring the continued success of the program. Stoppages or cutbacks in the program will put at grave risk USDA’s ability to meet its Congressionally mandated requirements under the Ethics in Government Act and conduct timely ethics vetting and processing of prospective Presidential nominees and appointees. Failing to fund OE at the base level will create an unsustainable situation for the Department’s Ethics Program and place the Department at risk of significant, but preventable, ethics scandals and Hatch Act violations, which will undermine Congressional confidence and erode public trust in USDA’s missions.

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Project Statement:

- (1) An increase of \$1,402,000 and 6 FTEs (\$5,556,000 and 26 FTEs available in 2023).

The funding change is requested for the following items:

A) An increase of \$191,000 for 2024 Pay.

This increase will support the annualization of the 2023 4.6 percent Cost of Living pay increase and the 2024 5.2 percent Cost of Living pay increase. This will ensure adequate resources are available to continue to allow OE to carry out its full range of responsibilities and support program delivery while avoiding creating an unsustainable situation for the Department’s Ethics Program and placing the Department at heightened risk of significant, but preventable, ethics violations.

B) An increase of \$1,211,000 and 6 FTEs to address increasing demand for ethics activities.

At current levels, approximately 4,762 USDA employees are serviced by each OE ethics advisor, more than eight times the Executive Branch average of 559. Funding at the requested level will allow OE to address the increasing demand for additional ethics and Hatch Act training, advice, and counselling, and will address the historic underfunding of USDA’s ethics program by bringing USDA’s ethics program staffing more in line with similar programs at other federal agencies. OE Ethics Advisors have been required to do more with less for over a decade and USDA has become the Department with the lowest ratio of Ethics Advisors to employees of any Executive Branch agency. The workload burden has made it difficult to retain talented staff at USDA. Failure to provide these additional resources will continue the pattern of the high employee turnover amongst OE’s ethics advisors as a result of an excessive ethics workload when compared to the workload of ethics advisors at other agencies.

OE currently lacks the capacity to conduct the vital work of ensuring that Ethics advice is consistent, up to date in view of ongoing changes in ethics rules and U.S. Office of Government Ethics (OGE) policies, which impairs USDA’s ability to avoid conflicts of interest and makes it difficult to restore and maintain public trust in government as mandated by the Administration and the Secretary of Agriculture. While OE staffing has been reduced or left stagnant over the years, there is a growing need and increasing demand for ongoing Hatch Act and ethics training and individual guidance across the Department. Additionally, there is a need for the Office of Ethics to provide timely ethics training and guidance to those special government employees serving in high-visibility positions across USDA’s numerous Federal Advisory Committees and the new USDA Equity Commission. Added to that is the increasing workload related to USDA’s scientific integrity and national security programs related to the outside activities of USDA scientists and other senior level employees. Due to limited staffing, increasing ethics workload, and competing priorities, OE has not been able to devote the necessary resources to ensure compliance with Federal regulations in these areas.

This request would support the hiring of six employees to continually evaluate ethics program effectiveness, as well as to address the increased demand to support of USDA’s scientific integrity, national security, and advisory committee functions. Funding at this level will address the historic underfunding of USDA’s ethics program detailed above and bring USDA’s ethics program staffing more in line with similar programs at other federal agencies. Providing these additional resources will address the high employee turnover in OE due to an excessive ethics workload. Failure to provide funding at the requested level will put at grave risk USDA’s ability to meet its Congressionally mandated requirements under the Ethics in Government Act and conduct timely processing of prospective Presidential nominees and appointees. Simply put, insufficient funding will create an unsustainable situation for the Department’s Ethics Program and place the Department at risk of significant, but preventable, ethics and Hatch Act violations.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs**

*Table OE-6. Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)*

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
District of Columbia .....	\$3,741	19	\$4,010	19	\$5,361	25	\$6,753	31
Illinois.....	180	1	185	1	195	1	205	1
Obligations .....	3,921	20	4,195	20	5,556	26	6,958	32
Lapsing Balances.....	98	-	82	-	-	-	-	-
Total, Available .....	4,019	20	4,277	20	5,556	26	6,958	32

**Classification by Objects**

*Table OE-7. Classification by Objects (thousands of dollars)*

Item No.	Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Personnel Compensation:					
	Washington D.C.....	\$2,335	\$2,497	\$3,227	\$3,724
	Personnel Compensation, Field.....	140	144	148	152
11	Total personnel compensation.....	2,475	2,641	3,375	3,876
12	Personal benefits .....	871	957	1,181	2,119
13.0	Benefits for former personnel .....	2	2	2	2
	Total, personnel comp., and benefits.....	3,348	3,600	4,558	5,997
Other Objects:					
21.0	Travel and transportation of persons.....	-	6	6	15
23.1	Rental payments to GSA.....	1	1	1	1
23.3	Communications, utilities, and misc. charges .....	50	29	29	75
24.0	Printing and reproduction.....	16	4	4	20
25.2	Other services from non-Federal sources .....	144	195	600	300
25.3	Other goods and services from Federal sources .....	278	329	284	400
26.0	Supplies and materials .....	41	21	25	70
31.0	Equipment.....	43	10	49	80
	Total, Other Objects.....	573	595	998	961
99.9	Total, new obligations.....	3,921	4,195	5,556	6,958
	DHS Building Security Payments (in 25.3) .....	\$23	\$9	\$11	\$11
Position Data:					
	Average Salary (dollars), ES Position.....	\$198,133	\$205,787	\$210,932	\$217,260
	Average Salary (dollars), GS Position .....	\$122,894	\$122,894	\$125,966	\$129,745
	Average Grade, GS Position .....	13.6	13.6	13.6	13.6

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## **STATUS OF PROGRAM**

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 (OGE) regulations, and Office of Special Counsel Hatch Act regulations.

### **Current Activities**

In 2022, OE concentrated on developing and delivering timely and tailored ethics training products, with two end goals in mind: to raise employee awareness of the ethics rules and to avoid preventable violations of the ethics statutes and regulations that govern employee conduct.

First, OE utilized both distance training technologies and in-person appearances to train both USDA employees and those from partner organizations. During 2022, OE personnel conducted more than 120 hours of live ethics training for USDA employees across the Department. These presentations range from short, "ethics moments" on a subject of immediate interest to longer, more comprehensive, sessions covering conflicts of interest, gifts, misuse of position, and outside employment, amongst others. OE's reach even extended outside the Department, with OE's Director providing ethics training sessions to employees at the Department of the Interior, the General Services Administration, and the Office of Special Counsel in 2022.

Secondly, OE continued to create distance training modules and videos. During 2022, OE developed and published three new ethics training videos on its website and on USDA's YouTube page. The first video covered five strategies to successfully navigate the hybrid workplace, a topic which is very much of interest as Federal agencies continue to utilize telework to a large extent and leverage digital collaboration tools. The second video covered ethics considerations for USDA scientists. USDA's researchers face a complex web of ethical challenges as they collaborate with their peers in universities and private sector organizations to further agricultural science. This new video simplifies and demystifies the applicable rules so that scientists know when to engage with their ethics advisors. The third video, entitled, "Ethics Illustrated: Five Rules Every Federal Senior Executive Service (SES) Must Know," identifies and explains the heightened ethics restrictions under which members of the SES must operate. All of these publicly available training products were produced with an emphasis on minimizing costs and can be either immediately used, or replicated, by other Federal agencies' Ethics Programs across the Executive Branch.

OE has worked to transform ethics education by combining technology and gamification in new ways to make ethics training more engaging, accessible, and memorable to employees. In 2022, the Ethics Training Game that USDA developed in partnership with The National Aeronautics and Space Administration (NASA) was recognized with an award for best use of educational gamification in the business world from a panel of industry judges at Training Magazine's 2022 Tech Learn Conference's international Gamicon competition. USDA's Ethics Game beat out competing entries from Microsoft and Deloitte and other companies. The real-life lessons taught in the USDA's "Save the Lunar Greenhouse" Training Game are indeed a "game changer" and a groundbreaking model for story-based, avatar gamification to enhance retention. This new Ethics training gamification curriculum has proven so effective that, in addition to USDA, the Ethics Training Game is currently being used by NASA, the Office of Management and Budget, the Department of Homeland Security's Office of Inspector General (OIG), and the U.S. Export-Import Bank.

In 2022, OE completed another successful year of electronic filing. OE completed review of 1,028 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 12,213 confidential financial disclosure reports (OGE-450). 99.9 percent of USDA financial disclosure reports were filed as required by the Ethics in Government Act. Additionally, as mandated by the U.S. 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 eighth consecutive year, more than 98.5 percent of all USDA employees who were required to take annual ethics training completed that requirement in a timely fashion.

Further, OE staff provided ethics orientation briefings for all new Administration appointees to ensure that they were apprised of the ethical obligations of Federal service. OE's senior leaders conducted personal ethics orientation sessions for 95 incoming political appointees (26 DC area appointees and 69 appointees in the field) on their first day at USDA. These one-hour briefing sessions covered subjects of immediate importance to incoming appointees, such as conflicts of interest, the gift rules, the Ethics Pledge, and the political activity restrictions. 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 served as the primary point of contact for all USDA nominees for Presidentially appointed, Senate-confirmed positions. In that capacity, OE worked with the OGE to ensure that the nominees' financial disclosure reports were complete, and all conflict-of-interest concerns were appropriately resolved prior to nomination.

### **Selected Examples of Recent Progress**

Office of Ethics Website Overhaul: Revised the content on OE's website and successfully transition it to the new usda.gov platform. Carefully reviewed OE's main page and numerous subpages to ensure the content and information presented was completely up to date. OE's website now highlights the following innovative training products: Ethics Live Casts, OE's YouTube Playlist (containing 30 short OE-developed videos), the USDA-NASA Ethics Game and links to USDA's mobile app for both Apple and Android platforms. OE's multimedia content is available to not only USDA employees but to the members of the public that we serve and that frequently have questions about how the Federal ethics rules work.

Provided training and advice to USDA's Equity Commission as well as the Equity Commission's Subcommittee on Agriculture and Subcommittee on Rural Community and Economic Development on the application of the ethics rules to Federal advisory committee members.

Provided two comprehensive one-hour training sessions for all Designated Federal Officials (DFOs) for USDA's more than 200 Federal Advisory Committees (FACs) to ensure the DFOs understood their roles and the ethical implications thereof. This training walked the DFOs through the process of designating committee members as SGEs or representatives.

Served as the ethics representative on the team developing USDA's Foreign Talent Recruitment Program policy. In this capacity, OE interfaced with colleagues in the Office of the Chief Scientist, the Research, Education and Economics Mission Area, and the National Institutes of Health to establish a policy that protects the scientific integrity of USDA research programs from being compromised by foreign governments.

Distributed more than 110 different one-page "Ethics in Brief" (short synopses of topical ethics rules).

Provided advice and guidance to USDA's senior leadership at weekly Subcabinet meetings.

Provided training and guidance in connection with USDA's charitable programs with Departmental-wide scope, such as the Combined Federal Campaign and the Feds Feed Families Campaign

Responded to several thousand ethics questions, including inquiries regarding conflicts of interest, gifts, political activity, and the post government employment restrictions to ensure officials knew and understood their ethics obligations. The most common questions are used as the basis for OE's training materials.

Met regularly with staff members of OIG to discuss the application of Federal ethics statutes and regulations to OIG inquiries; provided copies of employees' financial disclosure reports when requested.

Advised the Office of Human Resource Management regarding potential ethics issues presented in employee relations matters.

Responded to document requests from the public and the USDA Freedom of Information Act (FOIA) office in compliance with the FOIA and the Open Government Act, as well as requests to produce public financial disclosure reports from members of the media and the general public.

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.