

**2022 USDA EXPLANATORY NOTES – EXECUTIVE OPERATIONS**  
**OFFICE OF ETHICS**

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***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, 2020, there were 20 permanent full-time employees, including 19 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 FTES*****Table OE-1. Available Funds and FTEs (thousands of dollars, FTEs)***

Item	2019 Actual	FTE	2020 Actual	FTE	2021 Enacted	FTE	2022 Budget	FTE
Salaries and Expenses:								
Discretionary Appropriations	\$4,136	19	\$4,136	18	\$4,184	20	\$4,277	20
Transfers Out	-300	-	-150	-	-	-	-	-
Total Adjusted Appropriation	3,836	19	3,986	18	4,184	20	4,277	20
Total Available	3,836	19	3,986	18	4,184	20	4,277	20
Lapsing Balances	-155	-	-258	-	-	-	-	-
Total Obligations, OE	3,681	19	3,728	18	4,184	20	4,277	20
Other USDA:								
OCIO Reimbursement	135	1	135	1	149	1	149	1
OCFO Reimbursement	135	1	135	1	149	1	149	1
Total, Other USDA	270	2	270	2	298	2	298	2
Total Available, OE	4,106	21	4,256	20	4,482	22	4,575	22

**PERMANENT POSITIONS BY GRADE AND FTEs**

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

Item	2019 Actual			2020 Actual			2021 Enacted			2022 Budget		
	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
SL	-	-	-	-	-	-	1	-	1	1	-	1
GS-15	3	-	3	3	-	3	2	1	3	2	-	2
GS-14	6	1	7	6	1	7	6	-	6	6	1	7
GS-13	3	-	3	3	-	3	3	-	3	3	-	3
GS-12	4	-	4	2	-	2	4	-	4	4	-	4
GS-11	1	-	1	1	-	1	1	-	1	2	-	2
GS-9	-	-	-	1	-	1	1	-	1	2	-	2
GS-7	-	-	-	2	-	2	2	-	2	-	-	-
Total Permanent Unfilled, EOY	18	1	19	19	1	20	21	1	22	21	1	22
Total Perm. FT EOY	18	1	19	19	1	20	21	1	22	21	1	22
FTE	18	1	19	19	1	20	21	1	22	21	1	22

**OFFICE OF ETHICS: SALARIES AND EXPENSES**

**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, [~~\$4,184,000~~] \$4,277,000.

**LEAD-OFF TABULAR STATEMENT**

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

Item	Amount
2021 Enacted	\$4,184,000
Change in Appropriation	+ 93,000
Budget Estimate, 2022	<u>4,277,000</u>

**PROJECT STATEMENTS**

**Table OE-4. Project Statement (thousands of dollars, FTE)**

Item	2019 Actual	FTE	2020 Actual	FTE	2021 Enacted	FTE	Inc. or Dec.	Chg Key	FTE	2022 Budget	FTE
Discretionary Appropriations:											
Ethics Services.....	\$4,136	19	\$4,136	18	\$4,184	20	+\$93	(1)	-	\$4,277	20
Transfers Out:											
Working Capital Fund.....	-300	-	-150	-	-	-	-	-	-	-	-
Total Available.....	3,836	19	3,986	18	4,184	20	93	-	-	4,277	20
Lapsing Balances.....	-155	-	-258	-	-	-	-	-	-	-	-
Total Obligations.....	3,681	19	3,728	18	4,184	20	+93	-	-	4,277	20

**Table OE-5. Project Statement (thousands of dollars, FTE)**

Item	2019		2020		2021		Inc. or		2022	
	Actual	FTE	Actual	FTE	Enacted	FTE	Dec.	FTE	Budget	FTE
Discretionary Obligations:										
Ethics Services.....	\$3,681	19	\$3,728	18	\$4,184	20	+93	-	\$4,277	20
Lapsing Balances.....	155	19	258	18	-	-	-	-	-	-
Total Available.....	3,836	19	3,986	18	4,184	20	-	-	4,277	20
Transfers Out::										
Working Capital Fund.....	300	19	150	18	-	-	-	-	-	-
Total Appropriation.....	4,136	19	4,136	18	4,184	20	-	-	4,277	20

**JUSTIFICATION OF INCREASES AND 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.

(1) An increase of \$93,000 and 0 FTEs (\$4,184,000 and 20 FTEs available in 2021)

The funding change is requested for the following items

A) An increase of \$81,000, which includes \$55,000 for pay inflation and \$26,000 for the Federal Employee Retirement System (FERS).

This increase will support a 2.7 percent Cost of Living pay increases for civilian employees, and a 1.1 percent increase to cover the expenses for the mandated increase of USDA’s contribution to FERS.

B) An increase of \$12,000 to support and maintain current staffing.

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.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs**

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

State/Territory/Country	2019		2020		2021		2022	
	Actual	FTE	Actual	FTE	Enacted	FTE	Budget	FTE
District of Columbia	\$3,510	20	\$3,553	19	\$4,004	21	\$4,092	21
Illinois	171	1	175	1	180	1	185	1
Obligations	3,681	21	3,728	20	4,184	22	4,277	22
Lapsing Balances	155		258	-	-	-	-	-
Total, Available	3,836	21	3,986	20	4,184	22	4,277	22

**CLASSIFICATION BY OBJECTS**

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

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Personnel Compensation:					
	Washington D.C.....	\$2,160	\$2,172	\$2,393	\$2,450
	Personnel Compensation, Field.....	128	135	140	145
11	Total personnel compensation.....	2,288	2,307	2,533	2,595
12	Personal benefits.....	699	762	880	911
13.0	Benefits for former personnel.....	2	2	2	2
	Total, personnel comp. and benefits.....	2,989	3,071	3,415	3,508
Other Objects:.....					
21.0	Travel and transportation of persons.....	21	7	25	25
23.1	Rental payments to GSA.....	1	1	1	1
23.3	Communications, utilities, and misc. charges.....	68	56	71	71
24.0	Printing and reproduction.....	39	31	42	42
25.2	Other services from non-Federal sources.....	302	385	400	400
25.3	Other goods and services from Federal sources.....	159	163	180	180
26.0	Supplies and materials.....	102	14	50	50
	Total, Other Objects.....	692	657	769	769
99.9	Total, new obligations.....	3,681	3,728	4,184	4,277
	DHS Building Security Payments (included in 25.3).....	\$20	\$20	\$20	\$20
Position Data:.....					
	Average Salary (dollars), ES Position.....	\$192,300	\$195,185	\$198,113	\$201,084
	Average Salary (dollars), GS Position.....	\$116,444	\$124,235	\$122,894	\$124,737
	Average Grade, GS Position.....	13.6	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 (OGE) regulations, and Office of Special Counsel Hatch Act regulations.

### **Current Activities**

In 2020, OE continued to emphasize the importance of outreach and education activities to build and maintain an ethical culture. First, OE delivered presentations on best practices related to outreach and ethics training to officials at all levels of government. In March, OE presented to government ethics officials at the U.S. Office of Government Ethics' National Government Ethics Summit. One session titled, "Using Outreach to Maximize Limited Resources: Innovative Approaches by USDA and Department of the Interior," highlighted the special emphasis the office has placed on providing outreach and training, despite having limited resources. Additionally, OE presented a second session titled, "Promoting an Ethical Culture: Setting the Tone." Feedback from OGE indicated that these sessions were very well-received by the audience of executive branch ethics officials and other Summit participants.

Similarly, in September, OE presented a session titled "Ethics and Leadership in the time of the Coronavirus" at the League of United Latin American Citizens (LULAC) Federal Training Institute Partnership a public non-profit partnership between Federal agencies and LULAC. That same month, OE presented at the Association of Government Accountants' 2020 Internal Control and Fraud Prevention Training, where OE spoke about their approach to preventing ethics violations through proactive outreach and education. These sessions were also very well-received and audiences of nearly 600 attendees representing officials from State, local and Federal agencies rated these sessions very highly. By sharing successful outreach strategies with colleagues providing ethics services across all levels of government, OE worked to promote efficient and effective public service.

In addition, OE continued to be recognized for its innovative approach and commitment to providing live ethics training. In 2020, the OE's Nationwide Ethics Training Initiative was recognized with a USDA Secretary's Honors Award and an Office of Management and Budget/General Services Administration Gears of Government Award. These awards were given in recognition of OE's sustained effort to increase live, in-person, ethics training outside of the DC-area. Although the impacts of COVID-19 necessitated that in-person training was put on hold for most of the year, OE seamlessly pivoted to the virtual environment and continued to proactively deliver timely and effective training to its clients throughout the Department. For example, in the second half of 2020, OE employees provided more than 60 live training sessions to USDA employees around the country, using several virtual training platforms to provide relevant information.

In addition, OE debuted three new ethics training resources for USDA employees. First, OE leveraged a newly-developed training platform to debut a training module entitled "Ethics: Applying for USDA Programs." Since many USDA employees, and their family members, also seek to participate in USDA programs, it is vitally important that they only do so in full compliance with the ethics rules. To address those situations, the course is divided into two sections: one for employees who are considering applying for a USDA grant, loan, or other program themselves, and one for employees who know someone applying for a USDA benefit program. The course includes scenarios, practice questions, and a tailored guidance section where employees answer questions about their situation and get advice specifically tailored to their situations in response. Second, in February, in preparation for the 2020 national elections, OE issued a new animated video on the Hatch Act. This video, titled: "The Hatch Act Illustrated and Explained" was placed on USDA's YouTube site and made available to the public. Third, OE began an innovative series of virtual discussions centered on timely ethics issues called "Ethics LiveCasts." These Ethics LiveCasts are modeled after podcasts or panel discussion shows and feature three senior ethics advisors discussing ethics issues of recent note. The first LiveCast contained a summary of the Hatch Act rules governing political activity by Federal employees. The session used actual violations of the Hatch Act as reported in Office of Special Counsel press releases to raise awareness of the rules concerning political activity and the potential consequences for violation. All these training products were well-received by USDA employees and exemplify OE's continued commitment to innovate in the delivery of ethics training to its audience, despite limitations caused by the COVID-19 pandemic.

In 2020, OE completed another successful year of electronic filing for USDA’s nearly 820 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 12,400 confidential financial disclosure reports (OGE-450). 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 seventh 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.

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

In 2020, OE 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 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.

Finally, the OE has accomplished the following:

Upgraded the USDA Ethics App to include new Ethics one-pager summaries, and additional videos and a new Ethics “Test Your Knowledge” Game.

Reviewed 819 OGE-278 public financial disclosure reports (including 91 filed by new filers) using, INTEGRITY.GOV as well as USDA’s legacy e-filing system. Approximately 99.5 percent of those reports were reviewed within regulatory timeframes.

Reviewed more than 500 OGE-450 confidential financial disclosure reports for its assigned Agencies.

Distributed more than 140 different one-page “Ethics in Brief” (short synopses of topical ethics rules).

OE’s provided advice and guidance to USDA’s senior leadership at weekly Subcabinet meetings.

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 USDA’s Office of Inspector General (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 office in compliance with the Open Government Act.

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

During 2020, OE’s provided 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. 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 OE in FY 2020 include the following:

- Reviewed more than 6,000 survey responses to OE training products from 2019. Used the data to make more than a dozen changes to preexisting modules to make them more understandable and accurate.
- Developed and delivered quarterly “Virtual Ethics Moments”: these email announcements and accompanying OE-created videos that provided short reminders on the ethics rules and are an excellent means of building and establishing client relationships throughout USDA.
- Developed a new annual ethics training module for 2020 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.
- Reviewed and revised the entire OE website in preparation for website modernization.
- Developed “Agency Highlights” presentations where OE educated their colleagues on the mission of their assigned agencies as well as any quirks or specific issues that arise in those agencies.
- 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.