



Ethics Program Review

U.S. Department of Housing and Urban Development Headquarters

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The United States Office of Government Ethics (OGE) conducted a review of the United States Department of Housing and Urban Development (HUD) Headquarters ethics program from February through August 2018. The review covered program activities for calendar year 2017. The following summarizes the results of that review.

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Objectives, Scope and Methodology

Objectives: OGE provides overall leadership and oversight of the executive branch ethics program designed to prevent and resolve conflicts of interest. The Ethics in Government Act gives OGE the authority to evaluate the effectiveness of executive agency ethics programs.¹ OGE uses this evaluation authority largely to conduct reviews of agency ethics programs. The purpose of a review is to identify and report on the strengths and weaknesses of an ethics program by evaluating (1) agency compliance with ethics requirements as set forth in relevant laws, regulations, and policies and (2) ethics-related systems, processes, and procedures for administering the program.

Scope: OGE examined all elements of the ethics program administered by the Ethics and Appeals Division (EAD) within HUD Headquarters. These elements include program administration, financial disclosure, education and training, ethics counseling, agency-specific ethics rules, conflict remedies, enforcement, and special government employees. OGE also examined the oversight and guidance EAD provides for HUD’s ethics program department – wide.

Methodology: OGE examined a variety of documents provided by HUD ethics officials, including HUD’s response to OGE’s Annual Agency Ethics Program Questionnaire for 2017, written procedures for administering the ethics program, samples of public and confidential financial disclosure reports filed in 2017, ethics training materials, and a sample of the ethics counseling provided to employees. In addition, OGE met with agency ethics officials and the Acting Deputy Inspector General in HUD’s Office of the Inspector General to clarify the

¹ See 5 U.S.C. app. § 402 and 5 C.F.R. part 2638.

information gathered, follow up on issues identified during the review, and discuss ethics program operations in further detail.

Agency Background

HUD is the cabinet-level department of the federal executive branch whose mission is to create strong, sustainable, inclusive communities and quality affordable homes for all Americans. HUD is comprised of approximately 8,000 employees in the Headquarters office in Washington, D.C. and at 10 regional offices. The department operates under the leadership of the Secretary, a presidentially appointed, Senate-confirmed official.

Program Administration

The General Counsel is HUD's Designated Agency Ethics Official (DAEO), while the Deputy General Counsel for Operations is the Alternate DAEO (ADAEO). The day-to-day operations of the ethics program are managed by the Ethics and Appeals Division (EAD), situated organizationally within the General Counsel's Office of Ethics, Appeals and Personnel Law. An Assistant General Counsel heads EAD, and both the Assistant General Counsel and the Deputy Assistant General Counsel administer the day-to-day operations of the ethics program. They are assisted by four attorney-advisors and two management analysts in EAD. The four attorney-advisors review the financial disclosure reports, provide ethics training, and render advice and counseling. The two management analysts collect the financial disclosure reports; identify and track financial disclosure filers; and monitor ethics training completion.

EAD also provides oversight for the ethics programs at the regional offices. The regional offices' ethics programs are directly managed by the Regional Counsel who are responsible for the review and certification of confidential financial disclosure reports and for rendering advice and counseling for regional employees. In order to assist the Regional Counsel in their ethics duties, EAD holds monthly conference calls with the Regional Counsel and their staff to discuss various ethics issues. EAD also provides occasional input on ethics memoranda and other guidance that the Regional Counsel issue to employees in the field.

Financial Disclosure

Title I of the Ethics in Government Act requires that agencies administer public and confidential financial disclosure systems. Financial disclosure serves to prevent, identify, and resolve conflicts of interest by providing for a systematic review of the financial interests of officers and employees. The financial disclosure process also offers an opportunity for ethics officials to provide ethics-related counseling to report filers.

Financial Disclosure Written Procedures

Each executive branch agency must establish written procedures for collecting, reviewing, evaluating, and, where applicable, making available to the public financial disclosure

reports filed by the agency's officers and employees.² OGE examined HUD's written procedures and determined that they meet applicable requirements.

Notices to the DAEO

The lead human resources official is required to notify the DAEO of all appointments to positions that require incumbents to file public or confidential financial disclosure reports no later than 15 days after the appointment. The lead human resources official must also notify the DAEO of terminations of employees in positions that require incumbents to file public financial disclosure reports no later than 15 days after termination.³ These notifications help to ensure the timely collection of financial disclosure reports.

OGE determined that the required notices were provided consistently and timely. In 2017, EAD received timely notification for 96% of the 90 new appointments to positions that require the incumbents to file public financial disclosure reports. EAD also received 100% timely notification of the 77 terminations from positions that require the incumbents to file public reports. Finally, EAD received timely notification for 95% of the 61 new appointments to positions requiring the filing of confidential financial disclosure reports.

Public Financial Disclosure

Within 30 days of assuming a covered public filing position, an individual must file a public financial disclosure report.⁴ The individual must subsequently file an annual report by May 15 each year and a termination report within 30 days of departing the public filing position.⁵ The reports are required to be reviewed for potential conflicts of interest and certified within 60 days of receipt by the ethics office, unless additional information is being sought from the filer or remedial action is being taken.⁶

To evaluate the administration of HUD Headquarters public financial disclosure system, OGE examined 116 public reports that were required to be filed in 2017. The sample included 40 new entrant, 40 annual, and 36 termination reports. Table 1 below presents the results of OGE's examination.

² See 5 U.S.C. app. § 402(d)(1).

³ See 5 C.F.R. § 2638.105(a)(1) and (2).

⁴ See 5 C.F.R. § 2634.201(b).

⁵ See 5 C.F.R. § 2634.201(a) and (e).

⁶ See 5 C.F.R. § 2634.605.

Table 1. OGE’s Examination of HUD Headquarters Public Financial Disclosure Reports

	New Entrant	Annual	Termination	Total
Reports Examined	40	40	36	116
Filed Timely	36 (90%)	34 (85%)	32 (89%)	102 (88%)
Reviewed Timely	38 (95%)	35 (88%)	34 (97%)	107 (93%)
Certified Timely	35 (88%)	35 (88%)	33 (92%)	103 (89%)

As indicated in Table 1, OGE found that 88% of the reports examined were filed timely, 93% were reviewed timely, and 89% were certified timely.

Despite the general filing, review, and certification timeliness of the reports OGE examined, OGE found five uncertified reports in the sample. In addition, during its pre-review preparation, OGE discovered an additional 12 public reports filed in 2016 and 2017 that had not been certified. HUD ethics officials acknowledged the uncertified reports and told OGE that the review of the reports was in progress. OGE is concerned that these employees performed their government duties without the safeguards of a timely conflict of interest review. It is vital that financial disclosure reports be filed, reviewed, and certified in a timely manner to ensure that potential conflicts of interest are promptly identified and remediated. HUD ethics officials have certified the public reports.⁷

Issue

OGE identified public financial disclosure reports that had not been certified timely. HUD ethics officials completed the certification of these reports prior to the issuance of this report.

Confidential Financial Disclosure

Within 30 days of assuming a covered confidential filing position, an individual must file a confidential financial disclosure report.⁸ The individual must also subsequently file an annual report by February 15 each year.⁹ The reports are required to be reviewed for potential conflicts of interest and certified within 60 days of receipt by the ethics office, unless additional information is being sought from the filer or remedial action is being taken.¹⁰

To evaluate the administration of HUD’s confidential financial disclosure system, OGE examined a sample of 41 new entrant and 47 annual confidential reports that were required to be filed in 2017.¹¹ Table 2 below presents the results of OGE’s examination.

⁷ HUD ethics officials closed four reports without certification; one new entrant and one termination report from one filer and one annual and one termination report from another filer. Neither of the two filers remain employed at HUD.

⁸ See 5 C.F.R. § 2634.903(b).

⁹ See 5 C.F.R. § 2634.903(a).

¹⁰ See 5 C.F.R. § 2634.605.

¹¹ Sample included confidential reports from regional offices.

Table 2. OGE’s Examination of HUD Confidential Financial Disclosure Reports

	New Entrant		Annual		Total
Reports Examined	41		47		88
Filed Timely	30	(73%)	47	(100%)	77 (88%)
Reviewed Timely	26	(71%)	46	(96%)	72 (81%)
Certified Timely	16	(39%)	36	(77%)	52 (59%)

As indicated in Table 2, OGE found that only 73% of new entrant reports examined were filed timely. Additionally, only 71% were reviewed within 60 days and 39% were certified within 60 days. The Assistant General Counsel stated that other work priorities led to the delays in reviewing and certifying new entrant reports.

As also indicated in Table 2, annual reports were filed timely (100%) and generally reviewed within 60 days (96%), but the percentage of reports certified within 60 days was under 80%. The Assistant General Counsel again explained that intervening work priorities delayed certification.

Recommendations

1. Ensure that new entrant confidential financial disclosure reports are filed timely.
2. Ensure that new entrant confidential reports are reviewed timely and certified within 60 days of filing, unless further information is being sought from the filer or remedial action is being taken.
3. Ensure that annual confidential financial disclosure reports are certified within 60 days of filing, unless further information is being sought from the filer or remedial action is being taken.

Education and Training

Each executive branch agency must carry out a government ethics education program to teach employees how to identify government ethics issues and obtain assistance in complying with government ethics laws and regulations. The training program is to include: briefings for certain presidentially appointed, Senate-confirmed (PAS) employees; notices for prospective employees and newly appointed supervisors regarding their ethics-related obligations; initial ethics training for new employees; and annual ethics training for public and confidential financial disclosure report filers and certain other employees.¹² An ethics education program is essential to raising awareness among employees about the ethics laws and rules that apply to them and the availability of agency ethics officials to provide ethics counseling.

¹² See 5 C.F.R. Part 2638 Subpart C.

Ethics Briefing for Certain Agency Leaders

PAS employees, except for those in positions identified in 5 C.F.R. § 2634.201(c)(2), must complete an ethics briefing to discuss their immediate ethics obligations no later than 15 days after their appointment, unless the DAEO grants an extension. Any extension of more than 15 days requires the DAEO to make a written determination that extraordinary circumstances make it necessary to provide the briefing at a later date.¹³

In order to meet the initial ethics briefing requirements in 2017, EAD provided individual live training to all new PAS employees. All four PAS employees required to receive ethics briefings received the briefing within 15 days of their confirmation. OGE reviewed the material covered in the briefings and determined that it met the applicable content requirements.

Notices to Prospective Employees

Written offers of employment for positions covered by the Standards of Ethical Conduct for Employees of the Executive Branch (Standards of Conduct) must include: a statement regarding the agency's commitment to government ethics; notice that the individual will be subject to the Standards of Conduct and the criminal conflict of interest statutes; information on how to obtain additional information on applicable ethics requirements; and, where applicable, notice of the time frame for completing initial ethics training and information regarding the filing of new entrant financial disclosure reports.¹⁴

OGE found that HUD has established procedures to notify prospective new employees of their ethics responsibilities in their written offers of employment. EAD works with HUD's Office of Chief Human Capital Officer (OCHCO) to ensure compliance with the prospective employee notice requirement.

Notices to New Supervisors

An agency must provide each employee upon initial appointment to a supervisory position with certain written materials within one year of the appointment. The written materials must include contact information for the agency's ethics office and the text of 5 C.F.R. § 2638.103; a copy of, a hyperlink to, or the address of a web site containing the Principles of Ethical Conduct; and such other information as the DAEO deems necessary for new supervisors.¹⁵

OGE determined that HUD provides the required notice of ethical obligations to each employee upon initial appointment to a supervisory position and has established procedures to ensure that such notices are consistently and timely provided. As with the prospective employee notices, EAD works with HUD's OCHCO to ensure compliance with the supervisory notice requirement.

¹³ See 5 C.F.R. § 2638.305.

¹⁴ See 5 C.F.R. § 2638.303.

¹⁵ See 5 C.F.R. § 2638.306.

Initial Ethics Training

Each new employee subject to the Standards of Conduct must complete initial ethics training (IET) within three months of appointment, unless excluded by the DAEO. The training must be interactive and focus on government ethics laws and regulations that the DAEO deems appropriate. The training must address: financial conflicts of interest; impartiality; misuse of position; and gifts. In addition to the training presentation, the agency must provide the employee with either written copies of or written instructions for accessing: the summary of the Standards of Conduct distributed by OGE or an equivalent summary prepared by the agency; provisions of the agency's supplemental regulations or a summary thereof, as determined appropriate by the DAEO; and, instructions for contacting the agency's ethics office.¹⁶

All new career HUD employees attend an initial ethics training presentation conducted by an EAD attorney on the first Monday of every pay period. This training is one part of the OCHCO new employee training. Additionally, EAD sends an email with HUD's Summary of Ethics Rules to each new employee. The Summary of Ethics Rules includes the 14 Principles of Ethical Conduct, the government-wide standards of conduct, the conflict of interest statutes, the HUD supplemental standards of conduct regulation, information on annual ethics training, and contact information for HUD ethics officials.

In order to track completion of initial ethics training, OCHCO collects attendee sign-in sheets and provides them to EAD. OGE reviewed the sign-in sheets and the associated tracking spreadsheet and verified that in 2017, all new HUD employees received initial ethics training and 99% of them received the training within the first 3 months of employment.

Annual Ethics Training for Public Filers

Generally, live training must be provided each calendar year to each employee whose pay is set at Level I or Level II of the Executive Schedule. Live training must also be provided to other employees who are required to file public financial disclosure reports pursuant to 5 C.F.R. § 2634.201(a) every other year, with interactive training provided in the intervening years. The training presentation, whether live or interactive, must focus on government ethics laws and regulations that the DAEO deems appropriate. The training, whether live or interactive, must address: financial conflicts of interest; impartiality; misuse of position; and gifts. In addition to the training presentation, the agency must provide the employee with either written copies of or written instructions for accessing: the summary of the Standards of Conduct distributed by OGE or an equivalent summary prepared by the agency; provisions of the agency's supplemental regulations or a summary thereof, as determined appropriate by the DAEO; and, instructions for contacting the agency's ethics office.¹⁷

In 2017, there were two HUD public filers paid at Executive Schedule Level I or II. One of these filers attended one of the two live presentations conducted in 2017, as described below. The other--the Secretary of HUD--had a scheduling conflict and could not attend the live ethics training. Employees whose pay is set at Level I or Level II of the Executive Schedule must

¹⁶ See 5 C.F.R. § 2638.304.

¹⁷ See 5 C.F.R. § 2638.308.

complete one hour of live training each year, unless a matter of vital national interest makes it necessary for an employee to complete interactive training in lieu of live training in a particular year.¹⁸ HUD explained that the Secretary received a comprehensive one-on-one initial ethics briefing in March 2017, but was involved in the Opioid Crisis Response rollout event at the White House during one of the two annual training presentations and was away on travel during the other. They added that he watched a recording of the live ethics training in December 2017. Considering that the Secretary received a live initial ethics briefing in 2017, OGE is not issuing a recommendation for improvement.

In 2017, all HUD Headquarters employees, including employees covered by the annual ethics training requirements, were encouraged to attend one of HUD's two live ethics trainings entitled "The Ethics Challenge," held in October 2017. HUD regional and field staff watched the program live via webcast. HUD covered employees that could not attend or watch the live ethics trainings were given the option of watching a recording of the live ethics training as "interactive" training. OGE notes that passive viewing of a recording of a live presentation does not qualify as interactive training. According to HUD ethics officials, they had contacted OGE during the summer of 2017 to seek guidance on the new annual interactive training requirements and were informed that viewing a recording of live training would qualify as interactive. In light of this apparent miscommunication, OGE is not making a formal recommendation for improvement. Nonetheless, OGE notes that passive viewing of recorded training will not qualify as interactive training in future training years.

Annual Ethics Training for Confidential Filers and Certain other Employees

Generally, interactive training is required to be provided each calendar year to employees who are required to file a confidential financial disclosure report pursuant to 5 C.F.R. § 2634.904; employees appointed by the President and employees of the Executive Office of the President; contracting officers described in 41 U.S.C. § 2101; and, other employees designated by the head of the agency. The training presentation must focus on government ethics laws and regulations that the DAEO deems appropriate. The training must address: financial conflicts of interest; impartiality; misuse of position; and gifts. In addition to the training presentation, the agency must provide the employee with either written copies of or written instructions for accessing: the summary of the Standards of Conduct distributed by OGE or an equivalent summary prepared by the agency; provisions of the agency's supplemental regulations or a summary thereof, as determined appropriate by the DAEO; and, instructions for contacting the agency's ethics office.¹⁹

EAD maintains an annual training record for HUD Headquarters employees. Based on a review of this record, OGE determined that in 2017, 96% of HUD Headquarters public filers and 80% of confidential filers received annual ethics training.

¹⁸ See 5 C.F.R. § 2638.308(e)(1).

¹⁹ See 5 C.F.R. § 2638.307.

DATA ANALYSIS	Training Format		Total
	Live	Interactive	
Percentage of public filers who completed annual ethics training before the end of the calendar year. <i>See</i> 5 C.F.R. § 2638.308(a).			
<ul style="list-style-type: none"> Executive Schedule Level I and Level II. <i>See</i> 5 C.F.R. § 2638.308(e)(1). 	50%	50%	100%
<ul style="list-style-type: none"> Other PAS and Equivalent. <i>See</i> 5 C.F.R. § 2638.308(e)(2). 	100%	N/A	100%
<ul style="list-style-type: none"> SES and Equivalent. <i>See</i> 5 C.F.R. § 2638.308(e)(3). 	62%	34%	96%
Percentage of confidential filers and certain other employees who completed annual ethics training before the end of the calendar year. <i>See</i> 5 C.F.R. § 2638.307(a)(d).			
<ul style="list-style-type: none"> Employees required to file an annual confidential financial disclosure report. <i>See</i> 5 C.F.R. § 2638.307(a)(1). 	50%	30%	80%
<ul style="list-style-type: none"> Employees appointed by the President. <i>See</i> 5 C.F.R. § 2638.307(a)(2). 	N/A	N/A	N/A
<ul style="list-style-type: none"> Employees of the Executive Office of the President. <i>See</i> 5 C.F.R. § 2638.307(a)(2). 	N/A	N/A	N/A
<ul style="list-style-type: none"> Contracting officers described in 41 U.S.C. § 2101. <i>See</i> 5 C.F.R. § 2638.307(a)(3). 	N/A	N/A	N/A
<ul style="list-style-type: none"> Other employees designated by the head of the agency. <i>See</i> 5 C.F.R. § 2638.307(a)(4). 	N/A	N/A	N/A

Ethics Counseling

The DAEO, acting directly or through other officials, is responsible for providing advice and counseling to prospective and current employees regarding government ethics laws and regulations, and providing former employees with advice and counseling regarding post-employment restrictions applicable to them.²⁰ A robust ethics counseling program is necessary to ensure that employees receive the guidance they need to comply with the ethics rules.

OGE reviewed a sample of the ethics-related counseling that EAD ethics officials provided to HUD employees. The counseling addressed travel rules, gifts, post-employment restrictions, conflicts of interest, and misuse of position. OGE found the counseling to be consistent with applicable laws and regulations.

Agency-Specific Ethics Rules

An agency may modify or supplement the Standards of Conduct, with the concurrence of OGE, to meet the particular needs of that agency.²¹ A supplemental standards of conduct regulation is issued jointly by the agency and OGE and is published in title 5 of the Code of Federal Regulations.

HUD has issued jointly with OGE a supplemental standards of conduct regulation.²² This supplemental regulation contains prohibitions on having financial interests related to housing,

²⁰ *See* 5 C.F.R. § 2638.104 (c)(4).

²¹ *See* Executive Order 12674 and 5 C.F.R. § 2635.105.

²² *See* 5 C.F.R. part 7501

real estate, mortgage banking, and related industries for certain HUD employees. It also requires HUD employees to obtain written approval prior to engaging in certain outside employment and prohibits certain outside activities and employment.

To evaluate employees' compliance with HUD's supplemental standards of conduct regulation, OGE reviewed the outside activities that were reported on the public and confidential financial disclosure reports that were examined during the evaluation of HUD's financial disclosure systems. Twenty-five outside employment activities were disclosed in these financial disclosure reports. OGE determined that all 25 were reviewed and analyzed by the EAD ethics officials for conflicts under HUD's supplemental regulation and employees complied with the prior approval requirements. OGE's examination of the samples of public and confidential financial disclosure reports also did not identify any holdings or outside activities prohibited by the supplemental regulation.

Conflict Remedies

The primary criminal conflict of interest law prohibits an employee from participating in an official capacity in a particular matter in which he or she has a financial interest.²³ Congress included two provisions that permit an agency to issue a waiver of this prohibition in individual cases. Agencies must consult with OGE, where practicable, prior to issuing such a waiver.²⁴ HUD did not issue any waivers in 2017.

Additionally, the Ethics in Government Act expressly recognizes the need for PAS nominees to address actual or apparent conflicts of interest by requiring written notice of the specific actions to be taken in order to alleviate the conflict of interest.²⁵ This written notice is commonly known as an "ethics agreement." In 2017, HUD had four PAS officials with ethics agreements and all of these officials complied with the terms of their agreements.

Enforcement

Executive branch offices are required to notify OGE when they refer a potential violation of a conflict of interest law to the Department of Justice (DOJ).²⁶ HUD's Office of the Inspector General (OIG) referred no cases of potential violations of the conflict of interest laws to DOJ in 2017. However, in HUD's response to OGE's 2017 Annual Agency Ethics Program Questionnaire, HUD reported eight disciplinary actions based wholly or in part upon violations of the Standards of Conduct. All violations were related subpart G--Misuse of Position--of the Standards. Disciplinary actions for these violations ranged from removal from HUD positions, suspensions and reprimands.

OGE notes that HUD's OIG has initiated an investigation concerning the Secretary possible violations of federal ethics rules. According to reports, the Secretary asked the OIG to

²³ See 18 U.S.C. § 208.

²⁴ See Executive Order 12674.

²⁵ See 5 U.S.C. app. § 110.

²⁶ See 5 C.F.R. § 2638.206.

start an investigation after the media became aware of a Baltimore listening tour that involved the Secretary's son in 2017.

In connection with the program review, OGE reached out to HUD's OIG to inquire about the working relationship between EAD and the OIG. The Acting Deputy Inspector General described the relationship as collaborative and cited the gathering of data for responding to the OGE Annual Agency Ethics Program Questionnaire as an example.

Special Government Employees

A special government employee (SGE) is an officer or employee of the executive or legislative branch retained, designated, appointed, or employed to perform official duties, full-time or intermittently, for not more than 130 days in any 365-day period. SGEs are required to file financial disclosure reports and receive ethics training.²⁷

During 2017, HUD had two Federal Advisory Committee Act (FACA) committees: the Housing Counseling Federal Advisory Committee (HCFAC) and the Moving to Work Research Federal Advisory Committee (MTWR). To evaluate the ethics services provided to SGE advisory committee members, OGE reviewed HCFAC.

Financial Disclosure

In 2017, there were 11 SGE members of HCFAC. OGE examined all 11 committee members' new entrant confidential financial disclosure reports. Table 3 below presents the results of OGE's examination.

Table 3. OGE's Examination of HCFAC Confidential Financial Disclosure Reports

Reports Examined	11
Filed Timely	11 (100%)
Reviewed Timely	7 (64%)
Certified Timely	7 (64%)

As noted in Table 3, all 11 of the confidential reports examined were filed timely. However, only 7 reports were reviewed and certified within 60 days, as required. According to EAD officials, the electronic financial disclosure system HUD uses to collect and review these reports, FDOnline, was unavailable from July 15, 2017 through October 17, 2017; therefore, they were not able to review and certify 4 reports within 60 days of the reports being filed.

²⁷ See 18 U.S.C. § 202(a).

Recommendation

4. Implement back-up procedures to ensure that SGE financial disclosure reports can be collected, reviewed, and certified timely in the event of the failure or inaccessibility of FDOonline.

Ethics Training

HUD provided a web link to a recording of an annual ethics training event titled, “The Ethics Challenge” to HCFAC members in December 2017. Members were instructed to view the recorded training and to self-certify training completion by emailing the Ethics Training mailbox. HUD also provided members with written materials and instructions for accessing them. Only five of the committee members acknowledged viewing the recorded annual training event. HUD ethics officials stated that current members who did not complete the training in 2017 will receive a training notice in early November 2018 when the training is available for viewing. They added that they will follow up with members weekly to ensure annual training is completed in 2018.

Recommendation

5. Ensure that all SGE advisory committee members receive annual ethics training in 2018.

Agency Comments

The U.S. Department of Housing and Urban Development (HUD) appreciates the thorough and thoughtful review by the Office of Government Ethics (OGE) of our ethics program. We are taking steps to complete the recommendations OGE raised in the report. These actions will enhance our ability to monitor, track, and comply with the ethics rules overseen by OGE.

Recommendation 1: Ensure that new entrant confidential financial disclosure reports are filed timely.

HUD Response: FDOonline will continue to notify new entrant filers at least 30 days prior to their due date that they are required to file an OGE-450. FDOonline will continue to send reminder notices to new entrant filers five and ten days before the filing is due. Additionally, FDOonline will continue to send a daily delinquent filing notice to a filer for up to 30 days past the filing due date. In addition, BAD will continue to notify HUD's Administrative Officers of the delinquent filing status and request their assistance in having the filer comply with the filing requirements. Supervisors of delinquent filers will be contacted by BAD and Regional Counsel about the delinquent report 15 days after the filing due date and each week thereafter until the report is filed. In FY2018, if reports were still not filed, BAD notified senior leadership within each HUD program office of the delinquency and alerted them of potential consequences for employees continued failure to file, such as disciplinary action.

Recommendation 2: Ensure that new entrant confidential reports are reviewed timely and certified within 60 days of filing, unless further information is being sought from the filer or remedial action is being taken.

HUD Response: BAD and Regional Counsel will more aggressively monitor FDonline to ensure that new entrant confidential reports are timely reviewed and certified. Regular monthly email reminders to reviewers and certifiers, including those in the regional offices, will be sent reminding them of their obligation to complete the review of confidential financial disclosure reports within 60 days unless further information is being sought. The reminder will include instructions to all agency reviewers and certifiers in both Headquarters and the Regional Counsel offices on how to sort reports in FDonline to ensure all reports, regardless of year and type of report, are viewed each time a reviewer accesses the FDonline system. If action is still not taken, OGC will follow up with phone calls to specific reviewers and certifiers, including those in the Regional Counsel offices.

Recommendation 3: Ensure that annual confidential financial disclosure reports are certified within 60 days of filing, unless further information is being sought from the filer or remedial action is being taken.

HUD Response: EAD and Regional Counsel will more aggressively monitor FDonline to ensure that annual confidential financial disclosure reports are timely certified. Regular monthly email reminders to reviewers and certifiers, including those in the regional offices, will be sent reminding them of their obligation to complete the review of confidential financial disclosure reports within 60 days unless further information is being sought. The reminder will include instructions to all agency reviewers and certifiers in both Headquarters and the Regional Counsel offices on how to sort reports in FDonline to ensure all reports, regardless of year and type of report, are viewed each time a reviewer accesses the FDonline system. If action is still not taken, OGC will follow up with phone calls to specific reviewers and certifiers, including those in the Regional Counsel offices.

Recommendation 4: Implement back-up procedures to ensure that SGE financial disclosure reports can be collected, reviewed, and certified timely in the event of the failure or inaccessibility of FDonline.

HUD Response: BAD believes that this situation will not arise in the future. The temporary inaccessibility of FDonline in 2017 was out of HUD's control and occurred when the contractor switched platforms for hosting the system. While we understand that every financial disclosure report is important, the outage issue only affected four reports for three months and the related advisory committee did not meet during that time. However, in the event of a known unavailability of FDonline in the future, EAD will issue paper OGE-450s to SGEs and handle them accordingly.

Recommendation 5: Ensure that all SGE advisory committee members receive annual ethics training in 2018.

HUD Response: HUD has three statutorily mandated FACs of which two have SGE advisory committee members. Between those two FACs, there are no more than 17 SGE advisory committee members at any given time. EAD has developed a policy to provide all FAC members with live annual ethics training, regardless of whether the FAC members have an official meeting in the calendar year. In years when the advisory committee does not meet, it is difficult to ensure members take the training. However, EAD will work with the Designated Federal Officers (DFOs) of the FACs to arrange for the SGE advisory committee members to receive annual ethics training.