



U.S. Office of Government Ethics  
Program Review Division

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# Ethics Program Review

Social Security Administration

Report No. 11-007  
February 2011

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## Results in Brief

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The United States Office of Government Ethics (OGE) conducted a review of the Social Security Administration's (SSA) ethics program between October and November 2010. The results of the review indicated that SSA's ethics program generally appears to be effectively administered and in compliance with applicable laws, regulations, and policies.

### Highlights

- SSA's ethics officials have shown consistent interest and enthusiasm toward seeking further improvements to the ethics program.
- Agency leadership has demonstrated consistent support of the ethics program.

### Concerns

- No mechanism is in place to ensure consistent advice and counsel.
- The public financial disclosure system is not in compliance.

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## Objectives, Scope, and Methodology

OGE provides leadership for the purpose of promoting an ethical workforce, preventing conflicts of interest, and supporting good governance. 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. OGE has the authority to evaluate the effectiveness of executive agency ethics programs. See Title IV of the Ethics in Government Act, and 5 CFR part 2638.

To assess SSA's ethics program, OGE examined a variety of documents provided by ethics officials; other documents that SSA forwarded to OGE, including the annual questionnaire; prior program review reports, and a sample of SSA's public and confidential financial disclosure reports and advice and counsel provided to SSA's employees. In addition, members of OGE's Program Review Division met with the Designated Agency Ethics Official (DAEO), Alternate DAEO (ADAEO) and two General Attorneys to obtain additional information about the strengths and weaknesses of SSA's ethics program, seek clarification on issues that arose through the documentation analysis, and verify data collected.

### **Program Administration**

SSA's ethics program is administered within the Office of General Counsel (OGC) at SSA headquarters. The Deputy General Counsel serves as the DAEO. An Associate General Counsel serves as the ADAEO. A General Attorney serves as the primary, day-to-day administrator of the ethics program with the assistance of another General Attorney. There are 10 Deputy Ethics Counselors (DEC) throughout the regions and 3 DECs in headquarters. Regional DECs are responsible for providing advice and counsel to regional employees as well as reviewing and certifying financial disclosure reports.

Because the DAEO also holds the position of Deputy General Counsel, ethics officials have a voice in matters affecting SSA. Both the DAEO and ADAEO attend senior management meetings and are given an opportunity to discuss ethics. OGE believes this agency structure is advantageous in addressing ethics concerns that could affect the agency.

SSA's leadership demonstrates consistent support of the ethics program. For example, SSA's Commissioner plays an active role in the ethics program. The Commissioner often sends personal messages to employees on ethics matters. In addition, the annual ethics training plan is shared with agency leadership to ensure all current ethics issues are adequately addressed. OGE believes agency leadership involvement is critical to establishing an ethical climate and promoting ethical awareness.

#### OGE Model Practice

- Agency leadership is involved in preparing the annual training plan.

### **Financial Disclosure**

SSA has comprehensive written procedures for the administration of its financial disclosure program. However, OGE is concerned about the quality of the review of financial disclosure reports, the timeliness of filing for new entrant reports, and the timeliness of review and

certification of public financial disclosure reports. Because of the large number of public and confidential financial disclosure reports, the review team examined a judgmental sample of financial disclosure reports required to be filed in 2010. Upon review of the sample, the review team found that most public financial disclosure reports did not meet the standards of completeness and were not certified timely. Most of the confidential financial disclosure reports were filed late. Neither the public nor the confidential financial disclosure reports were consistently marked with the date of receipt as required.

Specifically, 76 percent of annual public financial disclosure reports and 87 percent of new entrant public financial disclosure reports did not meet the standards of completeness. In addition, 59 percent of annual public financial disclosure reports and 73 percent of new entrant public financial disclosure reports were not certified within 60 days. The income type and amount were omitted from many reported assets, individual retirement accounts were incorrectly reported as excepted investment funds, and some assets were listed without a company name (e.g. “checking account”). Additionally, many reports contained information that required redacting.

All of the new entrant confidential financial disclosure reports included in the sample were filed late. More than half of the new entrant confidential financial disclosure reports were filed over 120 days late. Forty-six percent of the annual confidential financial disclosure reports were filed late.

Because SSA’s financial disclosure system is decentralized, incomplete reports and late certifications may go unnoticed by headquarters ethics officials. During the course of the review, OGE discussed concerns about and suggestions for improving SSA’s financial disclosure system with ethics officials. SSA responded by immediately requesting that OGE provide training to all SSA ethics officials. In addition, the DAEO indicated that headquarters ethics officials will perform reviews of the regional ethics officials on a regular basis. OGE commends SSA for immediately addressing concerns in the area of financial disclosure.

#### OGE Recommendation

- Continue to implement the suggestions OGE provided during the course of the program review to bring SSA’s financial disclosure program into compliance. Specifically, headquarters ethics officials should perform intermittent reviews of regional ethics officials and provide recurring training to all financial disclosure report reviewers.

### **Education & Training**

SSA’s education and training program appears to be in compliance with all regulatory requirements. SSA reported that all required employees received initial ethics orientation (IEO) in 2009. The review team found the IEO materials to be in compliance with 5 CFR § 2638.703. SSA reported that a small number of required employees did not receive annual ethics training due to deployment, illness, and death. The OGE review team examined SSA’s annual training materials and found them to be in compliance with 2638.705.

Annual ethics training was presented by video which included a skit based on the television program “The View”. The review team found the annual ethics training to be engaging and entertaining. OGE commends SSA for its continued efforts to provide innovative training to its employees.

## Advice & Counsel

The written advice and counsel sampled by OGE appeared accurate. However, SSA does not have a mechanism in place to ensure consistency and accuracy of advice. Employees may call either headquarters ethics officials or DECAs for advice. DECAs are not required to consult with headquarters ethics officials prior to providing ethics advice, though they frequently do.

With the exception of post-employment advice, advice and counseling records are not consistently maintained. SSA does not have a database that ethics officials may access to research previously rendered opinions. Advice and counsel provided by headquarters ethics officials is not indexed by subject, which might present a challenge in providing consistent advice and counsel to headquarters and regional employees. During the course of the review, SSA ethics officials informed the review team that they are currently in the process of creating a system to memorialize advice and counsel.

### OGE Suggestion

- Establish a formal process to ensure consistency and accuracy of advice and counsel.

## Ethics Agreements

One Presidentially appointed, Senate confirmed employee entered into an ethics agreement. OGE records indicate that the employee complied with the ethics agreement.

## Enforcement

SSA reported 325 disciplinary actions based wholly or in part upon violations of the standards of conduct provisions (5 CFR part 2635). There were no disciplinary actions based wholly or in part upon violations of the criminal conflict of interest statutes (18 U.S.C §§ 203, 205, 207, 208, and 209). SSA reported no referrals to the Department of Justice of potential violations of the criminal conflict of interest statutes on the 2010 Agency Ethics Program Questionnaire.

SSA ethics officials appear to have a good working relationship with the Office of Inspector General (OIG). Each office is aware of its responsibilities and works together effectively. The OIG is responsible for concurrently notifying OGE of referrals made to the Department of Justice.

### **1353 Travel Acceptances**

SSA has comprehensive written procedures that govern the acceptance of travel payments from non-Federal sources under 31 U.S.C. § 1353. SSA has consistently submitted to OGE in a timely manner the required semi-annual reports of payments accepted from non-Federal sources.

### **Agency Comments**

On February 2, 2011, SSA provided comments on the draft report. SSA's comments follow:

“In the Financial Disclosure section, OGE notes that SSA is planning to hold a 2-day training. The agency would note that, on January 20-21, 2011, it held the 2-day training. An OGE desk officer, Mark Stewart, and two SSA attorneys, who specialize in ethics, led the training, which emphasized timely and complete reviews. Additionally, the agency created a standardized process for reviewing and storing disclosure forms that it will implement during this filing season. The agency also notes that it is investigating different computer systems to automate SSA's entire financial disclosure process.”