



United States  
**Office of Government Ethics**  
1201 New York Avenue, NW., Suite 500  
Washington, DC 20005-3917

March 27, 2012

Bart Ferrell  
Designated Agency Ethics Official  
The Presidio Trust  
34 Graham Street, P.O. Box 29052  
San Francisco, CA 94129-0052

Dear Mr. Ferrell:

The United States Office of Government Ethics (OGE) recently conducted a follow-up review of the ethics program at the Presidio Trust (the Presidio) to determine whether the improvements recommended or suggested in our April 2011 report have been achieved. Our report on the initial review of the Presidio's ethics program included three recommendations regarding financial disclosure and two suggestions regarding education and training. Below are the results of our follow-up review.

The initial review found that both public and confidential filers repeatedly failed to report their assets in accordance with statutory and regulatory requirements. This raised doubts about the accuracy and completeness of the reports in general. Financial disclosure files showed no evidence of follow-up or corrective action taken to ensure accurate reporting. Conflicts analysis of 2010 reports was limited to comparing listed information against a record of Presidio tenants and did not include a comparison against the list of contractors providing professional-level services on the Presidio. Late identification of employees required to file public financial disclosure reports led to six of the seven employees submitting their 2010 reports an average of 113 days beyond the required due date. These employees performed their Government duties without the safeguards of a timely conflict of interest review by the ethics office. We made three recommendations as a result of these findings:

- Train financial disclosure filers to improve completeness and accuracy of reports in accordance with published requirements.
- Improve the [Designated Agency Ethics Official] DAEO's financial disclosure review proficiency through additional training.
- Revise internal controls to ensure timely identification and tracking of new entrant filers.

You have confirmed that all financial disclosure filers (except one who was on maternity leave) have been trained on how to complete their reports and our records document that you completed OGE-sponsored training on how to review and certify reports. The Presidio has also revised its "Request for Personnel Action" form to require that you, as the DAEO, indicate whether the employee who is the subject of the request for action is either a public or

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confidential financial disclosure filer. This is expected to improve the timely identification and tracking of new entrant filers.

As part of our follow-up review, we examined 14 public and 18 confidential financial disclosure reports filed at the Presidio in 2011. The reports were filed, reviewed, and certified timely. Some reports contained minor technical errors. Two confidential reports included assets that were not fully identified. These included the listing of "ING, Mutual Fund" and "Fidelity investments Boston Mass." You should follow-up with the filers of these reports to ensure full disclosure of the assets and determine whether they represent a conflict of interest. However, the reports we examined during our follow-up appear to have been reviewed much more thoroughly overall than those examined during the initial review. There was ample evidence of follow-up with most filers when information provided on reports was incomplete or required explanation. Based on the actions, we have closed all three of the recommendations in our initial report.

Our initial review also identified improvements that could be made in the education and training element of the Presidio's ethics program. For 2010, the ethics office made the determination that verbal training would be impractical for its employees. We took issue with this determination as we did not believe it met the intent of the exception. The exception is typically applied in situations where employees are geographically dispersed or communication is restricted in some way. With the small number and proximity of employees, and with the Trust's inherently close relationships with outside entities, we believe in-person training would provide the best opportunity for preventing potential conflicts of interest. The DAEO recognized OGE's concerns and agreed to adopt in-person training in the future.

Annual ethics training for Trust employees in 2010 consisted of an online training module from OGE and a review of the complete text of the Standards of Conduct regulation. While the necessary information for annual training could be found in the material, conveying it relies on employees reviewing the regulation in sufficient depth. OGE suggests that annual training material, similar to the Trust's annual gifts and discounts memorandum, should be developed to make the requirements more succinct, accessible and engaging. Based on the findings of the initial review, we made two suggestions:

- In-person training should be provided to Trust employees.
- Develop annual training for Trust employees that conveys the required information in a more approachable manner.

In response to these suggestions, you mandated that all filers attend one of three live training sessions. You also identified additional staff members who are not required to file either public or confidential financial disclosure reports but who would benefit from the training. These additional staff members also participated in the live training. We also note that you reached out to OGE for support and made arrangements for one of our highly experienced staff members to help provide training to the Presidio's employees. We were happy that circumstances allowed us to accommodate your request. Your actions have been responsive to our suggestions and we have closed these issues.

Mr. Bart Ferrell  
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Based on our follow-up and as noted, we have closed all of the recommendations and suggestions in our April 2011 report. Thank you for your assistance and cooperation during the follow-up process. Please contact me at 202-482-9317 if you require any additional information.

Sincerely,

A handwritten signature in cursive script that reads "Rashmi Bartlett".

Rashmi Bartlett  
Associate Director