

ETHICS PROGRAM INSPECTION RESULTS

Agency:	Japan – United States Friendship Commission		
Report No:	14-09I	Date:	June 12, 2014
Review Period:	January – December 2013		

1.0 AGENCY DATA		
	EMPLOYEES	Data
1.1	Number of full-time agency employees, as reported in the most recent Annual Questionnaire	4
1.2	Number of agency SGEs, as reported in the most recent Annual Questionnaire	9
1.3	Number of PAS public financial disclosure reports required to be filed, as reported in the most recent Annual Questionnaire	0
1.4	Number of non-PAS public financial disclosure reports required to be filed, as reported in the most recent Annual Questionnaire	1
1.5	Number of confidential financial disclosure reports required to be filed by employees, as reported in the most recent Annual Questionnaire	10
	ETHICS PROGRAM	Data
1.6	Name of DAEO	Paige Cottingham-Streater
1.7	Title of DAEO	Executive Director
1.8	Grade level of DAEO	ES-00
1.9	Name of ADAEO	Margaret Mihori
1.10	Title of ADAEO	Assistant Executive Director
1.11	Grade level of ADAEO	GS-14
1.12	Name of the primary, day-to-day ethics program administrator	Paige Cottingham-Streater
1.13	Title of the primary, day-to-day ethics program administrator	Executive Director
1.14	Grade level of the primary, day-to-day ethics program administrator	ES-00
1.15	Current number of full-time ethics officials	0
1.16	Current number of part-time ethics officials	2
1.17	Average FTE value of a part-time ethics official(s) (For example, if part-time ethics officials at the agency generally devote 10 hours per week to ethics work, the average FTE value is 25%.)	20%
1.18	Number of reporting levels between the ethics office/program and the agency head	0

2.0 LEADERSHIP			
	COMPLIANCE REQUIREMENT	Yes	No
2.1	OGE has received an up-to-date designation from the agency head naming the DAEO. <i>See</i> 5 C.F.R. § 2638.202(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2.2	OGE has received an up-to-date designation from the agency head naming the ADAEO. <i>See</i> 5 C.F.R. § 2638.202(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3.0 ETHICS AGREEMENTS			
	COMPLIANCE REQUIREMENT	Yes	No
3.1	All officials currently in PAS positions have complied with their ethics agreements. <i>See</i> 5 C.F.R. § 2634.804. (☒ Not Applicable: see OGE comment section below)	<input type="checkbox"/>	<input type="checkbox"/>
3.2	All officials currently in PAS positions complied with their ethics agreements in a timely fashion. <i>See</i> 5 C.F.R. § 2634.804. (☒ Not Applicable: see OGE comment section below)	<input type="checkbox"/>	<input type="checkbox"/>
3.3	For all officials currently in PAS positions, the agency notified OGE of ethics agreement compliance in a timely fashion. <i>See</i> DO-09-015. (☒ Not Applicable: see OGE comment section below)	<input type="checkbox"/>	<input type="checkbox"/>

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3.4	For all officials currently in PAS positions, the agency maintains documentation of actions taken to comply with ethics agreements. <i>See</i> 5 C.F.R. § 2634.804. (☒ Not Applicable: see OGE comment section below)	<input type="checkbox"/>	<input type="checkbox"/>
3.5	All PAS officials' ethics agreements are maintained with their financial disclosure reports. <i>See</i> 5 C.F.R. § 2634.805. (☒ Not Applicable: see OGE comment section below)	<input type="checkbox"/>	<input type="checkbox"/>

4.0 PUBLIC FINANCIAL DISCLOSURE (OGE Form 278, OGE Form 278-T)					
COMPLIANCE REQUIREMENT			Yes	No	
4.1	The agency has written policies and procedures in place governing: <i>See</i> 5 U.S.C app. IV, § 402(d)(1).				
4.1.1	• Collection of public financial disclosure reports	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4.1.2	• Review/evaluation of public financial disclosure reports	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4.1.3	• Public availability of public financial disclosure reports	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4.2	The agency can demonstrate that late filing fees are collected or, where appropriate, waivers are issued when public filers do not timely file financial disclosure reports.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4.3	Public financial disclosure records are securely maintained. <i>See</i> OGE/GOVT-1.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4.4	Public financial disclosure reports are retained in accordance with the retention requirements. <i>See</i> 5 C.F.R. § 2634.603(g)(1).	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4.5	Agency ethics officials respond promptly to requests by OGE for additional information regarding PAS annual and termination public financial disclosure reports. <i>See</i> 5 U.S.C app. IV, § 402(d)(1). <i>See</i> 5 C.F.R. § 2638.203(b)(14). (☐ Not Applicable: see OGE comment section below)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
DATA ANALYSIS			%		
4.6	Percentage of sampled non-PAS new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(b).	N/A			
4.7	Percentage of sampled non-PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).	0%			
4.8	Percentage of sampled non-PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).	N/A			
4.9	Percentage of sampled non-PAS public financial disclosure reports certified within 60 days of receipt (unless additional information was being sought or remedial action was being taken). <i>See</i> PA-11-04.	100%			
4.10	Percentage of sampled PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).	N/A			
4.11	Percentage of sampled PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).	N/A			
4.12	Percentage of sampled PAS annual and termination reports certified within 60 days of receipt (unless additional information was being sought or remedial action was being taken). <i>See</i> 5 C.F.R. § 2634.605(a).	N/A			

5.0 CONFIDENTIAL FINANCIAL DISCLOSURE					
COMPLIANCE REQUIREMENT			Yes	No	
5.1	The agency has written policies and procedures in place governing: <i>See</i> 5 U.S.C app. IV, § 402(d)(1).				
5.1.1	• Collection of confidential financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
5.1.2	• Review/evaluation of confidential financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
5.2	Confidential financial disclosure records financial disclosure records are securely maintained. <i>See</i> OGE/GOVT-2.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
5.3	The agency's OGE-approved alternative confidential financial disclosure system complies with plans approved by OGE. <i>See</i> 5 C.F.R. § 2634.905(a). (☒ Not Applicable: see OGE comment section below)	<input type="checkbox"/>	<input type="checkbox"/>		
5.4	Confidential financial disclosure reports are retained in accordance with the retention requirements. <i>See</i> 5 C.F.R. § 2634.604.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		

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	DATA ANALYSIS	%
5.5	Percentage of sampled confidential new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(b).	100%
5.6	Percentage of sampled confidential annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(a).	0
5.7	Percentage of sampled confidential financial disclosure reports certified within 60 days of receipt (unless additional information was being sought or remedial action was being taken). <i>See</i> 5 C.F.R. §§ 2634.605(a), 2634.909(a).	0

6.0 INITIAL ETHICS ORIENTATION			
	COMPLIANCE REQUIREMENT	Yes	No
6.1	All initial ethics orientation material contains: <i>See</i> 5 C.F.R. § 2638.703(a) and (b).		
6.1.1	<ul style="list-style-type: none"> • Current contact information of relevant ethics official(s) 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6.1.2	<ul style="list-style-type: none"> • Copy of the Standards of Ethical Conduct and any agency supplemental standards to keep or review; or • Summaries of the Standards, any agency supplemental standards, and 14 Principles for employees to keep 	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6.2	The agency can demonstrate that it has an effective process to ensure that new employees receive initial ethics orientations. <i>See</i> 5 C.F.R. § 2638.703(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	DATA ANALYSIS	%	
6.3	Percentage of new agency employees who received initial ethics orientation within 90 days. <i>See</i> 5 C.F.R. § 2638.703.	100%	

7.0 ANNUAL ETHICS TRAINING			
	COMPLIANCE REQUIREMENT	Yes	No
7.1	All annual ethics training material contains: <i>See</i> 5 C.F.R. § 2638.704(b).		
7.1.1	<ul style="list-style-type: none"> • Current contact information of relevant ethics official(s) 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.1.2	<ul style="list-style-type: none"> • Review of the criminal conflict of interest statutes 	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7.1.3	<ul style="list-style-type: none"> • Review of the Standards of Ethical Conduct 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.1.4	<ul style="list-style-type: none"> • Review of the 14 Principles 	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7.1.5	<ul style="list-style-type: none"> • Review of any agency supplemental standards (<input checked="" type="checkbox"/> Not Applicable: see OGE comment section below) 	<input type="checkbox"/>	<input type="checkbox"/>
7.2	The agency can demonstrate that it has an effective process to ensure that covered employees receive annual ethics training. <i>See</i> 5 C.F.R. § 2638.704(c) and 705(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	DATA ANALYSIS	%	
7.3	Public financial disclosure filers who completed annual ethics training. <i>See</i> 5 C.F.R. § 2638.704(a).	100%	
7.4	Confidential financial disclosure filers who completed annual ethics training. <i>See</i> 5 C.F.R. § 2638.705(a)(3).	100%	

8.0 ETHICS ADVICE AND COUNSEL			
	COMPLIANCE REQUIREMENT	Yes	No
8.1	Based on a sample collected by OGE, guidance provided by agency ethics officials to employees appears to be consistent with applicable laws and regulations. (<input checked="" type="checkbox"/> Not Applicable: see OGE comment section below)	<input type="checkbox"/>	<input type="checkbox"/>

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RECOMMENDATIONS

#	Element	RECOMMENDATION	Compliance Due
1	4.1.1 – 4.1.3	<p>CONCERN: Written procedures for public financial disclosure did not contain provisions for public availability of the OGE Form 278 and did not contain provisions for collection, review, evaluation, and public availability of the OGE Form 278-T (Periodic Transaction Reports).</p> <p>RECOMMENDATION: Ensure written procedures for public financial disclosure include all required elements, including public availability of the OGE Form 278 and collection, review, evaluation, and public availability of the OGE Form 278-T.</p> <p>AGENCY RESPONSE: The Commission will amend written procedures to include all required elements, including public availability of the OGE Form 278 and collection, review, evaluation, and public availability of the OGE Form 278-T.</p>	7/1/14
2	4.1.2, 5.1.2	<p>CONCERN: The agency reviews the financial disclosure reports of its SGE members for conflicts of interest and generates a recusal list based on that review; however, the agency does not review the financial disclosure reports of the Commission’s public sector members, who file with other executive branch agencies or with the legislative branch.</p> <p>RECOMMENDATION: Prior to Commission meetings, obtain and review for potential conflicts of interest the financial disclosure reports of all public sector Commission members.</p> <p>AGENCY RESPONSE: Commission will obtain and review financial disclosure reports of all public sector Commission members prior to grant making meetings to ensure a complete recusal list has been prepared. The written procedures will be amended to include a description of this process.</p>	7/1/14
3	4.7	<p>CONCERN: The agency’s one non-PAS public financial disclosure report was filed beyond the annual filing deadline.</p> <p>RECOMMENDATION: Ensure future non-PAS public financial disclosure reports are filed by the May 15 annual filing deadline unless a filing extension is granted.</p> <p>AGENCY RESPONSE: The Commission has updated an internal calendar to add an alert for the DAEO and ADAEO to upcoming reporting deadlines.</p>	5/22/14
4	5.4	<p>CONCERN: Confidential financial disclosure reports were not destroyed at the end of the retention period.</p> <p>RECOMMENDATION: Destroy confidential financial disclosure reports in accordance with retention requirements. Establish a process to ensure review and destruction of reports that have reached the end of the retention period.</p> <p>AGENCY RESPONSE: Commission has destroyed confidential financial disclosure reports that have reached the end of the retention period. The agency will utilize the internal calendar to remind DAEO and ADAEO to review filing dates annually. Commission will also incorporate this requirement into the revised written procedures for financial disclosure.</p>	5/22/14

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5	5.6	<p><u>CONCERN:</u> The agency’s three annual confidential financial disclosure filers did not file reports during 2013.</p> <p><u>RECOMMENDATION:</u> Obtain all three outstanding annual confidential financial disclosure reports, review and certify the reports, and determine the applicability of any penalties under 5 C.F.R. § 2634 Subpart G.</p> <p><u>AGENCY RESPONSE:</u> The commission received the outstanding financial disclosure reports from two filers and requested the remaining filer submit the annual financial disclosure report. Commission will review and certify all three reports and determine applicability of any penalties.</p>	7/1/14
6	5.6	<p><u>CONCERN:</u> One confidential financial disclosure filer has filed the OGE Form 450-A since 2008 without filing a new OGE Form 450 at least once every three years.</p> <p><u>RECOMMENDATION:</u> Obtain an OGE Form 450 from the filer covering the CY2013 reporting period.</p> <p><u>AGENCY RESPONSE:</u> The Commission has informed the filer about the three-year requirement and requested her to complete the OGE Form 450 upon return from sick leave.</p>	7/1/14
7	5.7	<p><u>CONCERN:</u> Although reviewed for conflicts of interest by the DAEO, none of the agency’s confidential financial disclosure reports had been formally certified by an ethics official.</p> <p><u>RECOMMENDATION:</u> Complete the certification process for all confidential financial disclosures submitted in 2013.</p> <p><u>AGENCY RESPONSE:</u> DAEO has formally certified all confidential financial disclosures.</p>	5/22/14
8	6.1.2	<p><u>CONCERN:</u> Initial ethics orientation material provided summaries of the Standards of Ethical Conduct, but did not contain the 14 Principles of Ethical Conduct.</p> <p><u>RECOMMENDATION:</u> Ensure initial ethics orientation includes all required elements, including the 14 Principles of Ethical Conduct.</p> <p><u>AGENCY RESPONSE:</u> Commission will ensure 14 Principles of Ethical Conduct are included in initial ethics orientation material. The Commission held an ethics training during its 5/20/14 business meeting and distributed and reviewed the 14 Principles of Ethical Conduct to all commissioners.</p>	5/20/14
9	7.1.2 – 7.1.4	<p><u>CONCERN:</u> Annual ethics training, provided in-person to all agency employees, did not contain reviews of the criminal conflict of interest statutes nor the 14 Principles of Ethical Conduct.</p> <p><u>RECOMMENDATION:</u> Ensure annual ethics training includes all the required elements, including the criminal conflict of interest statutes and the 14 Principles of Ethical Conduct.</p> <p><u>AGENCY RESPONSE:</u> Commission will ensure the criminal conflict of interest statutes and 14 Principles of Ethical Conduct are included in the annual ethics training. The Commission held an ethics training during its 5/20/14 business meeting and distributed and reviewed the criminal conflict of interest statutes and 14 Principles of Ethical Conduct.</p>	5/20/14

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COMMENTS

OGE Comments:

- (3.1 – 3.5) Agency does not have any PAS positions.
- (4.5) Agency does not have any PAS positions.
- (5.3) Agency does not have an alternative confidential financial disclosure system.
- (7.1.5) Agency does not have supplemental standards of conduct.
- (8.1) Agency did not provide ethics advice and counsel during CY2013.

Agency comments are included in the Agency Response portion of each recommendation.