

United States Office of Government Ethics

Compliance Division

Ethics Program Review

Bureau of Engraving and Printing

Results in Brief

The United States Office of Government Ethics (OGE) conducted a review of the Bureau of Engraving and Printing (BEP) ethics program in May and June 2014. The results of the review indicated that BEP's ethics program is effectively administered.

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Objectives, Scope, and Methodology

OGE provides overall leadership and oversight of the executive branch ethics program which is designed to prevent and resolve conflicts of interest. 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. The Ethics in Government Act gives OGE the authority to evaluate the effectiveness of executive agency ethics programs. *See* title IV of the Ethics in Government Act, 5 U.S.C. app. § 402, and 5 C.F.R. part 2638.

To assess BEP's ethics program, OGE examined a variety of materials that were provided by agency ethics officials. The materials included: written procedures related to the administration of the ethics program, all public financial disclosure reports and a sample of the confidential financial disclosure reports that were filed in 2013 and advice and counseling furnished to BEP employees by ethics officials. In addition, OGE examined the 2013 Agency Ethics Program Questionnaire, Department of the Treasury Directives, BEP Circulars and additional materials that BEP forwarded to OGE. Finally, OGE met with BEP's ethics officials and the Department of the Treasury's Counsel to the Inspector General in order to obtain supplementary information about the agency's ethics program, to identify any strengths and weaknesses of the program and to verify the accuracy and origin of the data collected.

Program Administration

BEP is a subcomponent within the United States Department of the Treasury (Treasury) that is responsible for designing, engraving and printing all United States paper currency.

Headquartered in Washington DC, and with a regional office located in Fort Worth, Texas, BEP employs approximately 1,900 employees.

A Treasury Assistant General Counsel serves as the Designated Agency Ethics Official (DAEO) for all of Treasury, including BEP, and a Deputy Assistant General Counsel serves as the Alternate Designated Agency Ethics Official (ADAEO). The Chief Counsel at BEP serves as BEP's Designated Ethics Official (DEO) and oversees the administration of BEP's ethics program. A headquarters attorney in the Chief Counsel's Office is responsible for carrying out the day-to-day activities of BEP's ethics program in Washington, DC, and an attorney located in Fort Worth is responsible for administering the ethics program in that region, under the direction of the headquarters attorney in DC.

BEP ethics officials appear to administer an ethics program that is visible throughout the agency. During the review, OGE witnessed first-hand BEP's efforts toward maintaining the visibility of the program through observing the headquarters attorney's routine interactions with employees from throughout the agency.

BEP's program also appears to have support from the agency's leadership. For example, the Chief Counsel conducts weekly meetings with the agency's senior officials to discuss ethics issues and concerns and these meetings are actively supported and encouraged by BEP's leadership.

Finally, the ethics office routinely evaluates the effectiveness of the BEP program by assessing feedback provided by the agency's employees. BEP shared with OGE employee feedback regarding the professionalism and ethics-related knowledge of the ethics officials. OGE noted that employees commented positively on the ethics office's "do the right thing" attitude, opining that this attitude serves to protect the agency and promote the public's trust in government. Employees also commented positively about the realistic ethics training that is provided.

Model Practices

As part of its reviews, OGE identifies model practices that have been implemented in an agency's ethics program. OGE considers the following to be model practices at BEP:

- The ethics office appears to maintain visibility for the ethics program throughout the agency.
- Agency leadership is supportive of the ethics program.
- The ethics office routinely evaluates the effectiveness of the BEP ethics program by assessing feedback provided by the agency's employees.

Financial Disclosure

Title I of the Ethics in Government Act requires that agencies ensure confidence in the integrity of the federal government by demonstrating that officials are able to carry out their duties without compromising the public trust. In order to help ensure this confidence, high-level federal officials publicly disclose their personal financial interests. Title I also authorizes OGE

to establish a confidential financial disclosure system for less senior executive branch personnel in certain designated positions. 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 reports assist agencies in administering their ethics programs and also assist in providing counseling to employees. *See* 5 C.F.R. part 2634.

Written Procedures

Section 402(d)(1) of the Ethics in Government Act requires that each executive branch agency establish written procedures for collecting, reviewing, evaluating, and where applicable, making publicly available financial disclosure reports filed by the agency's officers and employees.

OGE found that the written procedures for the administration of BEP's public and confidential financial disclosure systems are comprehensive and in compliance with applicable statutory requirements. The written procedures governing public filing requirements are established by Treasury and are contained in Treasury Directive 61-01.

To identify public and confidential new entrant filers, BEP's Office of Human Resources sends an email to the headquarters ethics office with each new hire's name, start date, position title, series and grade, assigned office and supervisor. Using this information, the headquarters attorney determines whether the new employee's position meets the financial disclosure filing requirements. If so, the attorney notifies the employee of the requirement to submit a new entrant report within 30 days and then ensures that the report is timely submitted and reviewed utilizing a tracking database. The Fort Worth ethics attorney follows the same procedures for identifying new filers assigned there.

To accurately identify and collect annual financial disclosure reports from covered filers, each December the ethics office sends a memorandum to BEP Office Chiefs and Directors requesting that they update their financial disclosure filer lists and identify any employees who may have entered into a filing position. Using the updated filer lists, BEP is able to ensure that all filers are captured for the annual filing season.

Finally, to identify departing public filers for purposes of collecting termination public financial disclosure reports, BEP's Office of Human Resources sends an email to the ethics office with the employee's name and date of departure. Additionally, the ethics office is a checkpoint for all employees in the exit clearance process. Ethics officials provide the departing employee a handout titled, "Information for DC Departing Employees," or "Information for FW Departing Employees," as appropriate, which contain information on the post-employment restrictions, and conduct an overview of the handout for the employee. The employee then signs an "Exit Book" to confirm receipt of the handout and overview.

Public Financial Disclosure

To evaluate BEP's public financial disclosure system, OGE examined all 12 of the public reports required to be filed by BEP employees in 2013. All of the reports were filed, reviewed

and certified timely. The review of the reports appeared to be detailed and comprehensive, as was evidenced by the documented communications between the reviewing ethics officials and the filers.

Confidential Financial Disclosure

To evaluate BEP's confidential financial disclosure system, OGE examined a sample of 71 of the 378 confidential reports required to be filed by BEP employees in 2013. OGE found that 94 percent of the reports were filed timely and all were reviewed and certified timely. As with BEP's public reports, OGE noted documented communications between the reviewers and filers reflecting a detailed and comprehensive review of the reports.

Education and Training

An ethics education and training program is essential to raising awareness among employees about ethics laws and rules and informing them of an agency ethics official's availability to provide ethics counseling. Each agency's ethics training program must include at least an initial ethics orientation for all employees and annual ethics training for covered employees.

Initial Ethics Orientation

OGE regulations require that all new agency employees receive ethics official contact information along with the following material within 90 days of beginning work for an agency: (1) the Standards of Ethical Conduct for Employees of the Executive Branch (the Standards) and any agency supplemental Standards to keep or review; or (2) summaries of the Standards, any agency supplemental Standards, and the Principles of Ethical Conduct (the Principles) to keep. Employees must receive one hour of official duty time to review the material. *See* 5 C.F.R. § 2638.703.

The initial ethics orientation (IEO) at BEP is provided in two stages. First, new employees are required to complete an online government ethics training course administered through the Treasury Learning Management System (TLMS). New employees are not allowed to assume their duties with BEP until this training is completed. Completion of the training is tracked through TLMS. Second, new employees are required to attend a two-day orientation session provided by BEP officials in a classroom setting, where they are provided a copy of the Treasury Ethics Handbook. This classroom orientation session is provided during an employee's first month of employment and attendance is documented via sign-in sheets. Additionally, employees to be based in DC receive a welcome letter titled, "Government Ethics Orientation for New BEP Employees," signed by the BEP's Chief Counsel. Employees assigned to the Fort Worth regional office receive a supplemental document titled, "Bureau of Engraving & Printing New Employee Ethics Orientation."

All of the 128 new employees hired by BEP in 2013 received IEO. Moreover, OGE's examination of BEP's IEO materials found them to be in compliance with applicable requirements.

Annual Ethics Training Plan

OGE regulations at 5 C.F.R. § 2638.706 require agencies to develop, by the beginning of each year, a written plan for annual ethics training. The plan must contain a brief description of the agency's annual training and include estimates of the number of employees who will receive verbal and written training. OGE examined BEP's 2013 annual training plan and found it to be in compliance with the training requirements.

BEP also has written procedures for the administration of the education and training component of its ethics program that go beyond OGE's requirements for the annual ethics training plan. The procedures detail the process for providing ethics training to public and confidential filers, as well as to new employees.

Annual Ethics Training

Agencies are required to provide covered employees with annual ethics training. The training must include a review of the Principles, the Standards, any agency supplemental standards, the Federal conflict of interest statutes, and the names, titles, office addresses, and telephone numbers of the DAEO and other agency ethics officials available to advise employees on ethics issues. *See* 5 C.F.R. §§ 2638.704 and .705. Annual ethics training is a vital component of an agency's ethics program and is intended to assist employees in carrying out their official responsibilities in a manner consistent with ethics-related statutes and regulations. Additionally, annual training helps to prevent ethics violations and maintain the public's confidence that government officials act impartially and free of conflicts of interest.

In 2013, all public filers and all but one of the confidential filers received in-person annual ethics training. The one confidential filer was not trained due to an extended absence from work.

To fulfill the annual training requirement for public filers, BEP ethics officials delivered an in-person verbal training session which included a review of the 14 Principles, the Standards, the federal conflict of interest statutes, the Treasury supplemental standards and the ethics officials' contact information. OGE reviewers examined the training content and found it to be in compliance with 5 C.F.R. § 2638.704.

Ethics officials trained the majority of confidential filers using a Tic-Tac-Toe-themed game called, "Three Bills in a Row." This training was conducted for a large class divided into two teams. The two teams were asked to answer questions in order to win the game. The session content included a PowerPoint presentation that reviewed the 14 Principles, the Standards, the Treasury supplemental Standards and the criminal conflict of interest statutes. Ethics officials' contact information was also provided. Confidential filers who did not attend this training attended subsequent makeup live training sessions conducted for smaller groups located in DC and Fort Worth. The makeup sessions included a review of the PowerPoint presentation and attendees were provided with the ethics officials' contact information.

Completion of annual training is tracked via sign-in sheets. Information from the sign-in sheets is entered into and stored in the TLMS, as well as in the system that tracks financial disclosure report filing dates. OGE found that the materials used to provide annual ethics training were in compliance with 5 C.F.R. § 2638.705.

In addition to the formal training provided to employees, BEP routinely provides other ethics-related materials to its employees to keep them apprised of the ethics rules. In 2013, these materials included:

- A copy of BEP's holiday season ethics reminder, which was distributed as a BEP Internal Communications newsletter to all BEP employees and provides information on gift rules and related matters; and
- A copy of the summer 2013 Treasury Ethics Newsletter, which Treasury broadly disseminated throughout the Department, including to all ethics officials.

Advice and Counseling

The DAEO is required to ensure that a counseling program for agency employees concerning ethics and standards of conduct matters, including post-employment matters, is developed and conducted. *See* 5 C.F.R. § 2638.203. The DAEO may delegate to one or more deputy ethics officials the responsibility for developing and conducting the counseling program. *See* 5 C.F.R. § 2638.204.

The BEP Chief Counsel and the attorneys at headquarters and Fort Worth are responsible for rendering advice and counseling to BEP employees. The headquarters attorney provides advice to BEP employees located in DC and the attorney in Fort Worth provides advice to employees at that location. Notably, the Chief Counsel informed OGE that ethics questions, informal as well as formal, are routinely asked at the senior management meetings.

Ethics officials reply to all employee questions and follow-up with an email to the employee who made the inquiry to create a record of the interaction. BEP is currently in the process of digitizing its paper ethics records for improved retention.

OGE examined a sample of written advice and counseling provided by ethics officials covering the following topics: outside activities, conflicts of interest/impartiality, gifts of travel from non-federal sources, widely attended gatherings, gifts and representations to the government and endorsements and letters of recommendation. OGE found that the ethics counseling and advice services provided by ethics officials at BEP meet the requirements of 5 C.F.R. § 2638.203(b)(7) and that records are kept, where appropriate, on advice rendered, as required by 5 C.F.R. § 2638.203(b)(8). The sampled advice was thorough, detailed and appeared to be consistent with relevant laws and regulations.

Agency-Specific Ethics Rules

As authorized by Executive Order 12674 and implemented by 5 C.F.R. § 2635.105, an agency may modify or supplement OGE's Standards, with the concurrence of OGE, to meet the particular needs of that agency. A supplemental agency regulation is issued jointly by the agency and OGE and is published in title 5 of the Code of Federal Regulations.

BEP adheres to the Treasury's supplemental standards, which are applicable to all Treasury employees, at 5 CFR Part 3101. Treasury's supplemental standards require that employees obtain prior written approval before engaging in any outside employment or business activities. Additionally, Treasury Directives 6 and 16, which are based on Treasury's supplemental standards, outline additional outside employment restrictions for the Department's attorneys. Employees at BEP wishing to engage in outside employment or business activities are required to file a form to request authorization from their supervisor and a copy of the form is forwarded to the ethics office. OGE reviewed copies of written approvals for outside activities provided by ethics officials and concluded that the approvals were granted consistent and in compliance with the requirements of the supplemental regulation.

Enforcement

Treasury's Office of the Inspector General (OIG) provides oversight for BEP's programs and operations. Treasury's OIG is responsible for referring potential violations of criminal conflict of interest statutes to the Department of Justice and concurrently notifying OGE of the referral, as required by 5 CFR § 2638.603.

During 2013, BEP reported 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) or the Standards (5 C.F.R. part 2635).

As part of its review, OGE contacted the Treasury OIG to discuss the working relationship between OIG and BEP ethics officials. Treasury's Counsel to the IG described the relationship as ongoing and engaging, adding that both offices refer matters back and forth to ensure the appropriate office handles ethics issues. Additionally, the Counsel to the IG stated that BEP's Chief Counsel contacts him with questions as necessary.

Agency Comments

BEP provided the following comments after reviewing a draft of this report:

We agree with OGE's findings and conclusions. We thank OGE for its review of our ethics program and look forward to continued collaboration with OGE in our efforts to continually strengthen our program.