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September 2, 2004

Paul R. Corts  
Designated Agency Ethics Official  
Department of Justice  
950 Pennsylvania Avenue, NW  
Room 1111  
Washington, DC 20530

Dear Mr. Corts

The Office of Government Ethics (OGE) has completed its review of the Department of Justice's (DOJ) U.S. Parole Commission's (Commission) ethics program. The review was conducted pursuant to section 402 of the Ethics in Government Act of 1978, as amended. Our objective was to determine the program's compliance with applicable laws and regulations. We also evaluated the Commission's systems and procedures for ensuring that ethics violations do not occur. This review was conducted intermittently from July through August 2004.

#### HIGHLIGHTS

The Commission's ethics program is sound and appears to be appropriately tailored to meet the needs of agency employees. While we found no deficiencies, this report makes several suggestions to enhance the program, including annually sending employees an advisory on some topical issue.

#### PROGRAM STRUCTURE

Current staffing for the ethics program appears appropriate given the Commission's size, organizational structure, and mission. An Assistant General Counsel is the long-serving Deputy Designated Agency Ethics Official (DDAEO) for the approximately 80 employees, all of whom are located in Chevy Chase, Maryland. The Commission does not have any special Government employees.

#### PUBLIC AND CONFIDENTIAL SYSTEMS

The public and confidential systems are in compliance with applicable laws and regulations. We examined all five public reports required to be filed in 2003 and 2004 and found they were timely filed.<sup>1</sup> However, some of these reports, as well as others required to be

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<sup>1</sup> The only public reports filed at the Commission are those from Presidentially-appointed, Senate-confirmed (PAS) employees. None of these employees has an ethics agreement.

Mr. Paul R. Corts

Page 2

transmitted to OGE from PAS employees throughout DOJ, are not being timely transmitted, in accordance with 5 C.F.R. § 2634.602(c)(1) and the clarifying guidance OGE provided in a recent DAEOgram.<sup>2</sup> We also examined the two confidential reports required to be filed in 2003 and found that they were timely filed and reviewed. We detected no conflicts of interest. While we agree with the DDAEO that the possibility of financial conflicts of interest is extremely remote for Commission employees, we reminded the DDAEO of the financial reporting requirement that interests in property be fully disclosed, in accordance with 5 C.F.R. § 2634.301.

#### ETHICS EDUCATION AND TRAINING

We found that OGE's ethics training requirements are being met and also exceeded in some ways. The initial ethics orientation is met when new employees in-process through DOJ and they receive required written materials, including DOJ's Handbook. In addition, they receive an overview briefing, which includes a question-and-answer segment, and view an OGE videotape. Concerning annual ethics training, our regulatory requirement is being exceeded in that the DDAEO provides ethics training to all employees annually.

Based on our examination of sign-in rosters, we confirmed that in 2003 all covered employees received annual ethics training. According to the DDAEO, in-person training consisted of a lecture focusing on several of the 14 Principles of Ethical Conduct. In addition, the DDAEO also provided to attendees information on the gift acceptance prohibitions and outside employment restrictions. The DDAEO told us that she plans a similar approach for conducting annual ethics training in 2004.

The DDAEO assured us that all current PAS employees received initial ethics orientation briefings and that they have been annually trained since assuming their positions. Customarily, PAS employees have attended in-person training along with other Commission employees. We advised her that OGE advocates that PAS employees be trained in-person, one-on-one by you or the Alternate DAEO.

#### ETHICS COUNSELING AND ADVICE

Ethics counseling and advice services meet the requirements of 5 C.F.R. § 2638.203(b)(7) and (8). According to the DDAEO, overall, Commission employees ask few ethics-related questions. We examined the six written determinations that she had issued from 2001 to the present and found the advice was accurate and consistent with applicable laws and regulations.

In order to ensure that employees, who ask few ethics-related questions, are kept abreast of ethics matters, we suggested that several actions be taken, including (1) annually sending

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<sup>2</sup> See DAEOgram DO-04-014, dated June 16, 2004.

Mr Paul R Corts

Page 3

employees an ethics advisory on some topical issue, (2) reminding them that a variety of ethics-related information is available on OGE's and DOJ's ethics Web sites, and (3) providing departing employees with post-employment written materials, as appropriate

#### **OUTSIDE EMPLOYMENT**

DOJ's supplement to the standards of conduct regulation at 5 C.F.R. part 3801 requires that employees obtain approval before engaging in certain outside employment. We could not assess the condition of this aspect of the ethics program since, according to the DDAEO, no Commission employees have recently sought approval for outside employment.

#### **ENFORCEMENT**

Also, we could not assess whether the Commission promptly and effectively deals with those employees who engage in unethical conduct (5 C.F.R. § 2638.203(b)(9)) since there have not been any recent alleged violations of the criminal conflict-of-interest laws or the standards of conduct. In addition, we could not assess whether information developed by DOJ's Office of Inspector General (OIG) is reviewed by ethics officials or whether OIG services are used as appropriate (5 C.F.R. § 2638.203(b)(11) and (12)), since there have not been any recent instances of use.

Though no recent conflict of interest matters have been referred to the Attorney General involving Commission employees, DOJ officials' collective knowledge of the requirement that OGE be concurrently notified of any referral made (5 C.F.R. § 2638.603) has led us to believe that this requirement would be satisfied.

#### **TRAVEL PAYMENTS FROM NON-FEDERAL SOURCES**

Lastly, we could not assess the acceptance of payments for travel, subsistence, and related expenses from non-Federal sources since the Commission does not accept this type of payment. According to the DDAEO, she routinely provides negative reports to your staff when they call for information needed to prepare the semiannual report for submission to our Office.


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In closing, I would like to thank you for all the efforts taken on behalf of the ethics program. Since we are making no recommendations, no follow-up review is planned. A copy of

Mr Paul R. Corts  
Page 4

this report is being sent to the OIG Please contact Ilene Cranisky at 202-482-9227 if we can be of further assistance.

Sincerely,

  
Jack Covaleski  
Deputy Director  
Office of Agency Programs

Report Number 04 - 019