



**OGE PROGRAM REVIEW:
U.S. DEPARTMENT OF TRANSPORTATION
FINANCIAL DISCLOSURE PROGRAM
February 2009 – September 2011**

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Alternate Agency Ethics Official
U.S. Department of Transportation



FEBRUARY 2009

OGE CALLS DOT

- OGE: "Hello, we would like to schedule a review of DOT's ethics program."
- DOT: "We will schedule a time for you to meet with the DAEO."



FEBRUARY 2009

OGE MEETS WITH DOT'S DAEO AND AAEO

- OGE: "We conduct program reviews on financial disclosure, training, counseling, administration, and compliance."
- DOT: "We would like you to focus on financial disclosure across the entire Department."



- Key Learning Point: Focus on your needs

FEBRUARY 2009

DAEO MEETS WITH THE DEOs

- DAEO: "OGE is coming in June to review our ethics program."
- DEOs (in unison): "Oh !?#!"
- DAEO: "The review will focus on our financial disclosure programs. Here's a link to the OGE review guide:

www.oge.gov/ethics_docs/office_agency_prog.aspx"



- Key Learning Point: OGE resources are available to help.

MARCH 2009

DOT PREPARATION BEGINS!

- AAEO meets with the DOT ethics team comprising each of DOT's 10 operating administrations, the Office of the Secretary, and the Office of the Inspector General.
- DOT ethics team prepares "desk books" describing their ethics programs with emphasis on financial disclosure.



- Key learning point: Don't wait until OGE arrives

APRIL 2009

OGE's APRIL FOOLS RELEASE

- OGE releases a report on April 1, titled: "Elements of a Successful Financial Disclosure Program"
- DOT immediately shares with the Ethics Team



- Key learning point: Keep your eyes open!

APRIL 2009

DOT PREPARATION CONTINUES

- The DAEO:
 - Provides assistance with desk books
 - Checks DOT ethics team files
 - Responds to questions
 - Develops a preliminary review schedule



- Key learning point: Prepare thoroughly



MAY 2009

OG E PROGRAM REVIEWERS 1st CONTACT

- OGE requests:
 - Entrance conference with DAEO
 - Schedule for review
 - Copies of annual agency ethics questionnaire and supporting data



JUNE 2009

OGE ENTRANCE CONFERENCE

- OGE announces:
 - Three-day review of each of 12 programs (36 days over 6 months)
 - Follow-up report to the Secretary, DAEO, each OA and the Inspector General
 - Meeting between OGE Director and the DOT Secretary

JUNE – NOVEMBER 2009

OGE ONSITE PROGRAM REVIEWS

- OGE reviews financial disclosure files for:

- Timely submission of forms
- Timely review
- Completeness of reviews



- Key Learning Point: All files are subject to review

JUNE – NOVEMBER 2009

“REQUESTS”

- “We want to see a demonstration of your HR program to identify new entrant filers.”
- “We want to visit (a) regional facility.”
- “We want you to bring files down from your regional facility.”
- “We want to see a demonstration of your e-filing system.”



- Key Learning point: Be ready to show more!



JUNE – NOVEMBER 2009

DOT ETHICS PROGRAM NEVER SLEEPS!

- While on-site reviews go on, the DOT Ethics Program also:
 - Reviews almost 2,400 financial disclosure reports
 - Conducts annual ethics training and new entrant training sessions throughout DOT
 - Continues ongoing ethics counseling and ethics compliance matters



JUNE – NOVEMBER 2009

DOT MISSION CONTINUES

- American Recovery and Reinvestment Act of 2009
- WMATA incident
- Car Allowance Rebate System (Cash For Clunkers)
- USMMA graduates 197
- High Speed Intercity Passenger Rail
- E.O. XXXX No Texting while driving
- Colgan Air Crash
- Highway Trust Fund



NOVEMBER 2009

OGE SURPRISE!!

- **CABINET-LEVEL REVIEW PROJECT!!**
 - DAEO meets with OGE to discuss Cabinet-Level review project scheduled for January through September 2010
 - OGE explains that the Cabinet-Level review project will assess ethics program management **INCLUDING FINANCIAL DISCLOSURE**



JANUARY 2010

OGE EXIT CONFERENCE

- OGE meets with the DAEO to discuss results of program review
- OGE findings cover:
 - Leadership support
 - Written procedures
 - Financial disclosure reviews
 - Compliance



APRIL 2010

OGE SENDS DRAFT REPORTS TO DEOs

- OGE sends draft reports to each operating administration, the Office of the Inspector General, and the Office of the Secretary

OGE DRAFT RECOMMENDATIONS – APRIL 2010

	OST	RITA	FTA	FAA	FMCSA	NHTSA	SLSDC	FRA	MARAD	FHWA	OIG
Improve timeliness of new entrant filing	•	•	•	•	•	•			•	•	
Improve timeliness of review and certification of reports	•			•		•					
Develop written procedures		•			•			•			•
Revise/update written procedures	•		•	•		•				•	
Use agency date of receipt stamp on all reports	•									•	
Take immediate action to remedy conflicts of 21 filers				•							
Timely resolve divestiture appeals				•							
Correctly use/file OGE Form 450-A						•				•	
Conduct intermediate reviews before certification, not afterwards										•	
Improve tracking system					•						
Have the DEO certify all public reports									•		
TABLE PREPARED BY DOT											



APRIL 27, 2010

DAEO TO OGE:



U.S. Department of
Transportation
Office of the Secretary
of Transportation

GENERAL COUNSEL

April 27, 2010

1201 New York Avenue, SE
Washington, DC 20590

David A. Meyers
Office of Government Ethics
1201 New York Avenue, Suite 500
Washington, D.C. 20005

Dear Mr. Meyers:

The Department of Transportation (DOT) (OGE) for its review of our Department Secretary of Transportation (OST). We

DOT employs nearly 60,000 employees at our Washington, DC headquarters. OST Federal Aviation Administration (FAA), Transit Administration (FTA), Federal Railroad Administration (FRA), Federal Motor Carrier Safety Administration (FMCSA), Pipeline and Hazardous Material Safety Administration (PHMSA), Research and Innovative Technology Administration (RITA), and Saint Lawrence Seaway Development Corporation (SLSDC). Each administration operates regional offices throughout the country. The FAA occasionally operates offices, including air traffic control operations, at every airport in the United States. . . .

Two recurring recommendations in OGE's review were: (1) improve the process for filing new entrant reports, and (2) modify written procedures for processing financial disclosure reports. I have personally discussed these issues with the Deputy Ethics Officials, and we are committed to making these improvements. I have requested the Deputy Ethics Officials to obtain a commitment from their human resources offices to alert ethics officials in a timely way to new employees as well as employees who have been promoted. I have also asked the Deputy Ethics Officials to conduct an annual review of their staffing and GS levels to determine whether employees should be filing based on changed duties or positions.

in procedures to provide, in processes that we follow. OST by reflect OGE requirements

RAID, FMCSA, NHTSA, nents separately. Because neither has provided


3

financial disclosure program. knesses. We are committed pensive to our employees' mission.

DOT is committed to:

- Improving the process for filing new entrant reports
- Modifying written procedures for financial disclosure

Sincerely,


Rosalind A. Knapp

Attachments



JULY 19, 2010

OGE DIRECTOR TO THE SECRETARY:



United States
Office of Government Ethics
1201 New York Avenue, N.W., Suite 500
Washington, DC 20004-3917

July 19, 2010

The Honorable Ray LaHood
Secretary
United States Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary LaHood:

As part of the Office of Government Ethics' review, we completed a focused review of the financial disclosure program of the Department of Transportation (DOT). This review was conducted under 402 of the Ethics in Government Act of 1978, and your agency's interest in improving the financial disclosure program. Our primary objective was to determine the fit of DOT's financial disclosure program with applicable ethics laws and regulations. We also identified strengths and weaknesses of DOT's financial disclosure program and its ability to prevent and detect ethics violations. OGE conducted its review intermittently from January to July of calendar year 2008 activities.

As our enclosed letter to the Designated Review Officer, the review revealed that improvements are needed to ensure full compliance with applicable ethics laws and regulations. We recommend that you formulate a more comprehensive plan of actions to address the findings and recommendations into positions requiring a confidential review of these reports. (2) develop a continuing education program for both review and reporting officials. (3) improve the timeliness of review and certification for public reporting. (4) develop an oversight program that at a minimum includes each operating administration and at headquarters site reviews as it relates to the financial disclosure program. (5) each operating administration develops or modifies written procedures for these improvements are made, DOT's financial

The Honorable Ray LaHood
Page 2

The enclosed letter and chapter report details our findings and recommends the actions that both the DAEO and the Deputy Ethics Officials are directed to take to improve DOT's financial disclosure program. In light of the role that financial disclosure plays in preventing employees from committing ethics violations, both reports also make several suggestions for program enhancement.

Drafts of our individual reports were sent to the DAEO and each Deputy Ethics Official for review and comment, and we did receive written comments back on the corrective actions

OGE to the Secretary:

Improve timely new entrant filing

Improve timeliness and quality of reviews and set up an education program

Provide more oversight including tracking systems and on-site reviews

Develop written procedures

review the status
view that will

and interest in
noted in this
to bring the
discuss these

each operating



OGE ISSUES IDENTIFIED IN ON-SITE REVIEWS

Issues Identified	FAA	FHWA	FMCSA	FRA	FTA	MARAD	NHTSA	OIG	OST	PHMSA	RITA	SLSDC
Timely Action												
Resolving Conflicts	•											
Divestiture Appeals	•											
Review/Certification	•						•					
Collection					•		•					
Certification												
Wrong Form							•					
Wrong Status			•									
Wrong Certifier						•						
Digital Signature					•						•	
Incomplete Review	•	•	•		•	•	•				•	•
Reporting Errors	•						•		•		•	•
Master list												
Non-filers					•		•					
Other			•			•					•	
Other -- Procedural												
Date Stamp		•	•			•		•	•		•	
Records Destruction										•	•	
Filing Extensions			•				•					
TABLE PREPARED BY OGE												

JULY 19, 2010

OGE DIRECTOR TO THE DAEO:



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

July 19, 2010

Roselind A. Knapp
Designated Agency Ethics Official
United States Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Ms. Knapp:

succession plan to help maintain the consistent administration of an ethics program, OGE also suggests that the procedures for administering other elements of the ethics program be developed as well. OGE considers an agency's use of individualized written procedures to be a model agency practice and a valuable resource to both employees and ethics officials.

In closing, as you work to resolve these issues my staff, as well as the OGE Desk Officer assigned to DOT, stands ready to provide any expertise or advice you may need to bring your financial disclosure program into full compliance. We will review the status of DOT's progress in addressing our recommendations as part of a follow-up review that will be scheduled within six months from the date of this report. Should you or your staff have any questions before then, please feel free to contact David Meyers at (202) 482-9263 or by email at dameyers@oge.gov. You can also contact me at (202) 482-9286 or by email at rczemple@oge.gov.

Copies of the attached report have also been sent via transmittal letter to the Secretary and DOT's Inspector General.

Sincerely,

“In view of the corrective action authority vested with the Director . . . it is important that you take timely and effective action to resolve all recommendations.”

In addition to the specific actions that must be taken, our report also cites a number of suggestions and good management practices that will help DOT improve its management and coordination of the financial disclosure program.

Individual reports of our findings have been provided to each operating administration, OST and the OIG.

9





JULY 30, 2010

ACTION ON OGE's RECOMMENDATIONS

DAEO to the DEOs:

- Action must be taken promptly to implement improvements
- Submit a report of each improvement by December 1, 2010



DECEMBER 2010

DEO's REPORT TO THE DAEO

- Each DEO report is posted on the DOT Ethics Share Point for all ethics officials to see
- Each report advises that improvements are underway or completed

MARCH 2011

DAEO TO DEOS: REVIEW REPORTS TIMELY

- The DAEO requires reports to be reviewed initially within 60 days and final review within 90 days
- Delays beyond 90 days may be authorized only in documented instances
- Periodic status reports must be sent to the DAEO and posted on the DOT Ethics Share Point



- Key learning point: Don't wait – Do now!

MAY – JULY 2011

OGE CONDUCTS FOLLOW-UP ON-SITE REVIEWS

- Each on-site review lasts 2-4 hours
- After each review, the DEO is advised orally which recommendations will be closed
- OGE will come back in 6 months to review recommendations still open



- Key Learning Point: OGE is watching. Are you?

SUMMARY OF KEY LEARNING POINTS

- 🔑 **Focus on your needs**
- 🔑 **OGE resources are available to help**
- 🔑 **Don't wait until OGE arrives**
- 🔑 **Keep your eyes open!**
- 🔑 **Prepare thoroughly**
- 🔑 **All files are subject to review**
- 🔑 **Be ready to show more!**
- 🔑 **Don't wait – Do now!**
- 🔑 **OGE is watching. Are you?**

OGE Review of DOT's Financial Disclosure Program

February 2009 – September 2011

