



FDIC: Building Relationships in an Ever-Changing Agency

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FDIC Senior Ethics Specialists



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Growth & Change: FDIC Headquarters

Michael Korwin

FDIC Ethics Program Headquarters

Robert E. Feldman
Executive Secretary
Designated Agency Ethics Official (DAEO)

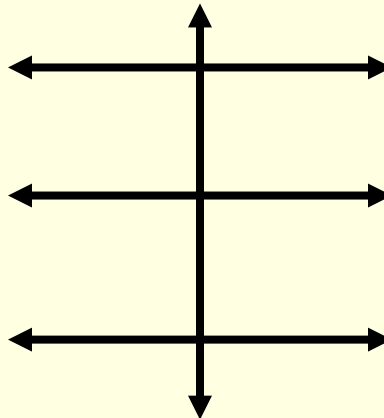


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Ethics Program Manager
Alternate Agency Ethics Official

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FDIC: Ethics View from HQ

Program Structure:

- 70 Deputy Ethics Counselors

- 5 Full Time Ethics Officials

- 3 Full Time Satellite (Term) Officials

- 62 Collateral-Duty Ethics Counselors

Allocated to:

- Washington DC Headquarters

- 5 Regional offices

- 3 Satellite Offices

- 89 Field Offices



Ethics a Part of Corporate Culture

- Necessity of Building a Strong Relationship with Chairman
- PAS Financial Disclosure Vetted through Ethics Program for Conflicts of Interest
- Rules/Ethical Culture Emphasized from First Contact – *¡Carpe Diem!*
- Emphasize Role of Board in Setting Ethical Tone in Corporation Culture

Relationship-Building at the Top

- Chairman Committed to Ethical Leadership
- Relationships Built with Board through:
 - PAS Vetting
 - Ethics Agreements
 - Ethics Pledge
 - Lobbyist Gift Restrictions

Relationships Built Become Part of Management Fabric

- Division Directors – Additional Ethics Restrictions along Business Lines (i.e. limitation on assuming liabilities from FDIC regulated entities)
- Assistant Regional Directors – Automatically Assume Ethics Leadership Role by becoming Deputy Ethics Counselors
- Ethics Becomes Fabric of Corporate Culture as DEC's Move from DEC role into Upper Management

Ethics Officers – Who are They?

- Assistant Regional Directors as DEC
 - Symbol of Knowledge and Leadership
 - A sign of added Respect and Integrity ascribed to Position
- Deputy Division Directors
 - Management and Leadership Role
- Corporate Grade (CG) 14/15 and Corporate Management (CM) Grades are base grades for Ethics Counselors

Ethics – Integral Part of Agency Business Line by Law

- 18 USC 212 - Offer of a Loan or Gratuity to a Financial Institution Examiner
- 18 USC 213 – Acceptance of a Loan or a Gratuity by a Financial Institution Examiner
- Statutory Limitations on Extension of Credit
- Limitations on Outside Activities
 - Real Estate
 - Brokerage
 - Finance/Accounting
 - Banking and Affiliates



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**An Ethics Challenge:
New Office, New Relationships**
Kimball Johnson

Building a Relationship with a New Staff

- The Hiring Process
- Introducing Rules & Regulations
- The Training Process
- Management Endorsement
- Ethics Visibility in the Workplace
- Set the Ethics Bar High
- What is Most Important
- It's a Full Time Job
- Teamwork is a Key Ingredient



Building a Relationship with a New Staff (cont.)

- FDIC Ethics Program Headquarters
- Easy Communication
- Work Together
- Make Ethics “Essential”



The Hiring Process ...

- First, New Employee Orientation
- Welcome and Introductions
- Taking the Oath of Office
- Give your Ethics Program a face with a name



Introducing Rules & Regs ...

- Orientation is the first introduction
- The standards of conduct promotes your agency mission and goals
- Make the ethics program fit your office



Building Relationships through Training ...

- Training begins at orientation but continues on indefinitely
- Invite inquiries
- Provide prompt, courteous replies and cite the regulations – legal basis
- Encourage meetings for further discussions



Relationships Improve Through Management Endorsement ...

- Posters
- Pamphlets
- Ethics notices and reminders

These elements are critical throughout the workplace and reflect management's support of your program



Relationships Improve through Visibility in the Workplace ...

- Attend staff meetings
- Schedule one on one meetings
- Attend department meetings



Set the Ethics “Bar” High ...

(How do we behave when we think no one is watching?)

- Holding ourselves to a higher standard
- Making it achievable and believable
- Provide Vivid/Real Life Examples – both Right and Wrong
- Appearance (the “Washington Post” test)



The Relationship is Solid if Everyone Knows ...

- They have a fiduciary responsibility
- They have someone to go to for questions
- Ethics is a full time job with a full time officer
- We are not the ethics “cops” but provide “ethics assists”



The On Going Relationship is a Full Time Job ...

- Keep ethics out in the open
- Maintain open lines of communication
- Continually introduce ethics in the work environment



In any Relationship, Communication and Teamwork is Key ...

- Provide a List of Contacts to Make Ethics Accessible
- Always provide your name and contact information
- Establish a Hot Line Number
- Always say “Thank You” for the inquiry



Relationships Going Forward include Working Together ...

- Build pride in “doing the right thing”
- Stress the importance of Ethics in Government



A Good Relationship Is “Essential” to a New Office...

- Essential to build the Public’s Confidence in Government
- Essential to your Organization’s Performance
- Essential to your Management’s Performance
- Essential to your Employee’s Performance
- Essential to Success of your Entire Program





FDIC: Building Relationships in an Ever-Changing Agency

Maintaining Momentum

Jack McGarry

FDIC: Daily Ethics Challenges

- Evolving Relationships
- Financial Disclosures
- Contractor Interactions
- Supplemental Standards
- After the FDIC ...



Evolving Relationships

- Private sector professional to federal government employee
- Leadership engagement
- Annual, periodic & *in situ* training
- Counseling
- Building and Maintaining Trust



Financial Disclosures

- Understanding Requirements
- Full Disclosure
- NEETS
- Training
- Technical assistance



Contractor Interactions

- Impartiality
- Chain of command
- Meetings & Notices
- Social events
- Contractor hiring practices



Supplemental Standards

- 5 CFR Part 3201
 - Extensions of credit
 - Bank securities
 - Purchase of FDIC-owned assets
 - Former employers, associates & clients
 - Employment of family members
 - Outside employment & activities



After the FDIC ...

- TSO sunsets
- Intra- and inter-agency transfers
- Seeking employment
- Post-government employment restrictions
- Out-briefings





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**Downsizing:
Leveraging Investment in Working Relationships**
Marsha Martin

Relationships with Executives

- Approach Deputy Director to request agenda time
- Ability to seize a key moment to speak with all employees
- Catch all 600 employees with same basic message
- Provided promise of opportunity to receive more information and ask questions
- Broadcast dates and times of workshops



Relationships with Mid-Managers

- Followed meeting with personal emails to Department Managers offering to address their departments individually
- Gave option of sending employees to the global workshops
- Provided a “desk drop” with a pamphlet entitled *Seeking Employment and Post Employment: Answers to Some Commonly Asked Questions*



Relationships with Employees

- Relationship begins in new employee orientation
- Builds yearly when Form 450s are filed (more than 90% of office are filers)
- Regular contact with annual ethics training
- Employees know the Ethics Officer and are more likely to come ask questions or seek counsel before acting



The Relationship Advantage

- While the vast majority of our employees had no prior knowledge of the *Standards of Conduct for Federal Employees of the Executive Branch* before entering onto duty, in a very short period they became very knowledgeable and cognizant of the regulations



The Relationship Advantage

- Their growth in understanding and observance of the regulations was no small matter. Most were mid- or late-career individuals who had worked in the private sector where some of our prohibitions were actually actions for which they received praise in their old employment life. (e.g. gifts regulations)



The Relationship Advantage

- Having heard and seen so much from the Ethics office during their short tenure, as employees are now departing Federal service, they now more readily and freely seek counsel and understand the importance of knowing what the job seeking and post-employment regulations say



Results

- Having a transient workforce which:
 - is knowledgeable about the *Standards of Conduct*,
 - knows where to go with questions
 - comprehends the dangers of ignoring the criminal conflict of interest provisions
 - requires little monitoring or “policing”
 - allows Ethics Officers to sleep at night

