

- Until recently, the DOI Departmental Ethics Office (DEO) has not had adequate resources to accomplish its legally required compliance functions, including its responsibilities relating to the financial disclosure report program.
- A GS-14 non-attorney ethics specialist, while experienced and conscientious, was essentially the only employee charged with reviewing hundreds of 278s for DOI headquarters employees. This employee also had the responsibility of advising thousands of employees on very specific financial disclosure report obligations (when you include the confidential filers (OGE Form 450)) and administering the electronic financial disclosure system (FDonline).
- This lack of qualified staffing dedicated to 278 reviews for non-PAS officials (the senior ethics attorneys reviewed 278s for PAS officials), contributed to a situation where many reports (including the 4 subject reports) were not reviewed and certified properly.
- This situation with the financial disclosure program and other aspects of the ethics program had been developing for many years and certainly predated the current administration.
- Senior DOI management in this administration, including the Deputy Secretary and the Acting Solicitor, recognized the urgent need to overhaul the ethics program. The Deputy Secretary came on board in August 2017 and by October 2017, ordered the recruitment of a new career Senior Executive Service ethics attorney to take control of the situation and correct the deficiencies of the DEO.
- In addition to senior management in the current administration recognizing the problems with the DEO, the U.S. Office of Government Ethics (OGE), recognized the severity of the problem when they conducted an audit of the DEO during the last year of the past administration in 2016 and provided extensive criticism of the program. This audit report is publicly available on the OGE website.
- Just nine weeks ago, in mid-April 2018, DOI senior management brought on board a new team of career professional ethics attorneys to run the DEO. See the attached announcement. When ProPublica's inquiry regarding "six blank 278s" was brought to their attention in May 2018 they immediately requested that a senior career ethics attorney with the DEO investigate the matter. The attorney was directed to personally interview each filer and go through each section of the 278 with them. This process revealed that some of the filers were confused about what information was supposed to be reported on their New Entrant 278s when they came on board in 2017 and that some filers thought they had filled out the form correctly when, in fact, they had not. There appeared to be no case where any filer intended to not disclose information that they knew or should have known was required to be reported.
- While filers are ultimately responsible for the accurate submission of their own forms, the DEO is culpable in certifying forms that appeared "blank" without conducting a certain level of due diligence to ensure that the filers submitted correct forms. At a minimum, ethics officials should have contacted filers of these forms and confirmed if the information (or lack of information) on the forms was correct.
- The new DEO management team has decades of experience running financial disclosure programs and recognizes the shortcomings of the DOI program and is quickly moving to address the situation. One of the first concrete actions it has taken to improve the submission of the 2018 reports is requiring ethics officials to contact filers and actively interview them about each section of the report if the reports don't appear adequate or accurate. For example, if they see that a filer has worked for 20 years at various companies and has not listed a single IRA or 401(k), then that is a red flag and they should be contacting that filer to confirm that they, in fact, do not have any defined contribution plans to report. Another concrete action taken this filing season is that all of the ethics officials must review some 278s and a single individual is not responsible for all the reviews. These two actions were taken, in fact, prior to the new management even learning of the ProPublica inquiry and was communicated in the first week of their employment at DOI in mid-April.
- In addition to ProPublica's inquiry, the Government Accountability Office (GAO) is currently conducting an audit of certain aspects of the ethics offices of various Federal offices (i.e., how political appointees were processed). The time period being examined is January 2017 to January 2018. The results of the audit for DOI will likely highlight some of the problems discussed here.
- Finally, the new DAEO and ADAEO are fully aware of the problems, issues, and shortcomings of the DOI ethics program and are diligently and steadfastly working to address them as quickly as possible. The DEO has been reorganized in the last several weeks and new senior attorneys will be hired this summer to lead the financial disclosure program and the ethics training and education program. In addition, the Deputy Secretary and Acting Solicitor are supporting the new ethics team at every turn and all DOI senior management is supporting the Deputy Secretary's urgent new initiative to hire dozens more ethics officials throughout the Department.
- The new DAEO welcomes ProPublica's interest in the DOI's ethics program and appreciates the role of government watchdog groups and the media in ensuring that the Federal government functions properly for all Americans.