



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

August 31, 2005

Eric J. Gangloff
Designated Agency Ethics Official
Japan-United States Friendship Commission
1201 15th Street, NW., Suite 330
Washington, DC 20005

Dear Dr. Gangloff:

The Office of Government Ethics (OGE) recently completed a review of the Japan-United States Friendship 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. Besides reviewing the program elements reported in this letter, we discussed the Commission's coordination with the cognizant Inspector General's office in our review of the enforcement element. While there was not any activity within this program element, we were satisfied that the Commission's procedures are sufficient to meet the requirements relevant to the element. The review was conducted in June and July 2005.

HIGHLIGHTS

We did not identify any deficiencies in the Commission's ethics program. The public and confidential financial disclosure systems are generally well managed. The ethics training program appears to be administered effectively. The advice and counseling program is administered appropriately and the Commission's procedures for accepting travel payments are in good order.

ADMINISTRATION AND BACKGROUND

You serve as the Commission's Executive Director and Designated Agency Ethics Official (DAEO). You are assisted by the Alternate DAEO (ADAEO), who is the Commission's Assistant Executive Director. There is one other full-time employee, as well as one employee working on detail at the Commission.

In addition to the four regular employees, the Commission has nine private-sector commissioners who serve as special Government employees (SGE). There are also nine public-sector commissioners who serve in an ex-officio capacity.

PUBLIC FINANCIAL DISCLOSURE SYSTEM

To evaluate the effectiveness of the public system, we examined your public report (the only one required to be filed in 2004 by a Commission employee). The report was filed, reviewed, and certified in a timely manner. Our examination of the report revealed no substantive or technical deficiencies.

CONFIDENTIAL FINANCIAL DISCLOSURE SYSTEM

To evaluate the effectiveness of the confidential system, we examined the Assistant Executive Director's confidential report (the only one required to be filed in 2004 by a regular Commission employee) and the reports filed by the nine SGE commissioners. The Assistant Executive Director's report was filed, reviewed, and certified in a timely manner. Our examination of the report revealed no substantive or technical deficiencies.

With regard to the SGE commissioners, during our last review in 2000 we discussed your request to have your SGEs file an annual disclaimer form. It was determined that OGE had denied this form's use in lieu of the OGE Form 450 in a letter sent to you on August 31, 1992. Therefore, at the time of our last review, you made a written determination to exclude the commissioners from a portion of the confidential reporting requirement in accordance with 5 C.F.R. § 2634.905(a). Henceforth, SGEs have filed only "Part III: Outside Positions" of OGE Form 450 when annually filing new entrant reports. All reports required to be filed by SGEs in 2004 were filed, reviewed and certified in a timely manner.

PUBLIC-SECTOR COMMISSIONERS' FINANCIAL DISCLOSURE REPORTS

You obtain copies of the outside positions schedule/part of public-sector commissioners' financial disclosure reports which are filed with their parent Government agencies. These reports consist of SF 278s, OGE Form 450s, and legislative branch reports. You review the reports for possible conflicts concerning the commissioners' memberships on boards of outside organizations.

ETHICS TRAINING

All covered employees received verbal annual ethics training in 2004. Training consisted of Web-based materials and handouts addressing ethics-related issues. You were available during training sessions to answer questions. Additionally, you personally sit down with each SGE on an individual basis and discuss issues surrounding potential conflicts of interest on the part of Government employees.

You provide an initial ethics orientation to incoming SGEs every six years because they generally serve on the Commission for a six-year rotation (SGEs are appointed to the Commission for a three-year term and most are reappointed for a second three-year term).

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Although it has been many years since the Commission has hired any regular employees, you would personally ensure that any such employee would receive an initial ethics orientation.

ADVICE AND COUNSELING

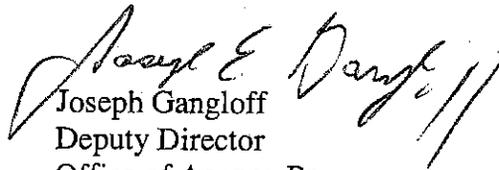
To evaluate the quality of advice provided by you and the ADAEO, we examined all of the ethics-related written advice rendered during 2004. We found the advice to be appropriate, correct, and rendered in a timely fashion.

TRAVEL PAYMENTS FROM NON-FEDERAL SOURCES

The Commission has written procedures for accepting travel payments from non-Federal sources under 31 U.S.C. § 1353. The Commission submitted to OGE negative reports of payments in excess of \$250 covering the period from April 1, 2004 through March 31, 2005.

In closing, I wish to thank you and the ADAEO for your complete cooperation and your efforts on behalf of the Commission's ethics program. Please contact Megan Granahan at 202-482-9202, if we may be of further assistance.

Sincerely,


Joseph Gangloff
Deputy Director
Office of Agency Programs

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