

UNITED STATES OFFICE OF  
GOVERNMENT ETHICS



May 30, 2018

Dwight D. Creasy  
Designated Agency Ethics Official  
Defense Finance and Accounting Service  
8899 East 56<sup>th</sup> Street  
Indianapolis, IN 46249

Dear Mr. Creasy:

As a result of its review of the Defense Finance and Accounting Service (DFAS) ethics program, the Office of Government Ethics (OGE) issued one recommendation in its May 2016 inspection report. OGE recently conducted a follow-up review to determine whether DFAS has taken sufficient action to resolve the deficiency underlying the recommendation. Based on the results of our follow-up review, OGE has determined that this recommendation will remain open. The results of our follow-up review are summarized below.

Recommendation
Implement corrective action to ensure that new entrant confidential reports are filed timely. This corrective action may require increased coordination with the agency's Human Resources Office and supervisors.
OGE Finding and Agency Action
<p>OGE examined all 9 new entrant confidential reports filed at DFAS from January through March 2018. Of the 9 new entrant reports examined, 7 were filed late.</p> <p>The DFAS Ethics Program Manager advised OGE that most of DFAS' difficulties in identifying new entrant filers arise when employees are assigned new Contracting Officer Technical Representative (COTR) duties throughout the year that require them to file a confidential report. While DFAS' Ethics Office has taken steps to help resolve this deficiency by working with the COTR program to help enhance awareness of the 30-day filing requirement, the Ethics Program Manager acknowledged that these efforts have been somewhat unsuccessful.</p> <p>Additionally, OGE notes that since its 2016 review, DFAS' Ethics Office has experienced turnover. Shortly after OGE's 2016 review, the current Ethics Program Manager, who was the primary ethics attorney at that time, left the Ethics Office to move into an acquisitions role within the agency. In November 2017, the Ethics Program Manger's successor left the agency and the current Ethics Program Manager returned to the ethics program.</p>



During the follow-up review, the Ethics Program Manger advised OGE that some proactive steps to help better address this problem have been taken. For example, the Ethics Program Manager is working to 1) update COTR procedures to make COTRs and their appointing Contracting Officers aware of the 30-day filing requirement and 2) require Contracting Officers to notify the Ethics Program Manager every time a COTR is appointed to a new DFAS contract. The Ethics Program Manager believes these steps will help mitigate the problem of untimely filing by COTRs since the Ethics Office will be in position to actively identify COTR new entrant filers, rather than passively wait for them to identify themselves.

OGE concurs with the Ethics Program Manager and believes these steps, once fully implemented, should help to address the underlying deficiency. OGE reminds DFAS that timely filing of financial disclosure reports is critical to detecting and preventing conflicts of interest and therefore strongly encourages the Ethics Office to make every effort to improve filing timeliness.

Status of Recommendation: **Open**

I appreciate the courtesies your staff extended to the OGE program inspection staff. If you would like to discuss the report, please contact me at 202-482-9224. OGE will conduct a second follow-up in October 2018 to assess the results of DFAS' actions and whether this recommendation can be closed.

Sincerely,



Dale Christopher  
Deputy Director for Compliance