



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

March 19, 2001

Gordon S. Heddell
Inspector General
Department of Labor
200 Constitution Avenue, NW.
Washington, DC 20210

Dear Mr. Heddell:

As part of the Office of Government Ethics' monitoring activities, we have completed a review of the ethics program within the Department of Labor's Bureau of International Labor Affairs, Women's Bureau, and Veterans' Employment and Training Services. This review was conducted pursuant to section 402 of the Ethics in Government Act of 1978, as amended. Our objectives were to determine the ethics program's effectiveness and compliance with applicable laws and regulations.

I have enclosed a copy of the report for your information. Please call me at 202-208-8000, extension 1120, if I may be of assistance.

Sincerely,


Jack Covaleski
Deputy Director
Office of Agency Programs

Enclosure



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

March 19, 2001

Judith E. Kramer
Acting Solicitor of Labor and
Designated Agency Ethics Official
Department of Labor
200 Constitution Avenue, NW.
Washington, DC 20210

Dear Ms. Kramer:

The Office of Government ethics has completed a review of the ethics program at the Department of Labor (DOL). This review focused primarily on the Women's Bureau (WB), the Veterans' Employment and Training Service (VETS), and the Bureau of International Labor Affairs (ILAB). This review was conducted pursuant to section 402 of the Ethics in Government Act of 1978, as amended. Our objectives were to determine the ethics program's effectiveness and compliance with applicable laws and regulations. To meet our objectives, we examined the following program elements: the administration of the ethics program, the public and confidential financial disclosure systems, the ethics education and training program, ethics counseling and advice services, and coordination with the DOL Office of Inspector General. We also discussed procedures for accepting payments for travel from non-Federal sources. The review was conducted intermittently during September through November 2000.

We found DOL's WB, VETS, and ILAB all have a successful program, both in terms of fulfilling regulatory requirements and providing assigned personnel with appropriate ethics services. The DOL ethics staff provides advice that is consistent with ethics laws, and administers an ethics education and training program that is managed well.

ADMINISTRATION OF THE ETHICS PROGRAM

The ethics program at DOL is administered within the Office of the Solicitor (SOL). SOL ethics officials are primarily responsible for DOL's ethics program and provide oversight to ethics officials within each agency. The Solicitor of Labor is the Designated Agency Ethics Official (DAEO) and the Associate Solicitor for Legislation and Legal Counsel is the Alternate DAEO. The Counsel for Ethics oversees the day-to-day administration of the program; however, a

staff attorney has been the key ethics official in managing DOL's ethics program. Most of the ethics issues and concerns are filtered through the staff attorney within SOL. The staff attorney demonstrated her continuous diligence and dedication in managing the ethics program and we would like to commend her for her efforts.

PUBLIC FINANCIAL DISCLOSURE SYSTEM

DOL has comprehensive written procedures for the public financial disclosure system. The public system is administered by the DOL's Office of the Assistant Secretary for Administration and Management (OASAM), Office of Executive Resources and Personnel Security. OASAM is responsible for processing public reports for the agencies it services, such as ILAB, WB, and VETS.

In the cases of new entrant and termination filers, OASAM will notify the respective agency ethics contact of the date of entry or termination for filers. OASAM is to provide each filer with a blank public report. The filer is to submit the completed public report to OASAM which, in turn, is to forward the public report to the respective agency for review and certification. The agency must then complete the "SF-278 Monthly New Entrant/Termination Survey." This form serves as a status report for tracking new entrant and termination reports. Each agency must complete the survey for submission to the Counsel for Ethics.

In the case of the incumbent filers, during early April, OASAM creates a master list of filers to submit to the various DOL agencies. The ethics contacts at ILAB, WB, and VETS are to verify their agency's master list for accuracy. OASAM is responsible for distributing blank public reports to all employees required to file, with a cover memorandum explaining when and to whom the reports must be returned. Each agency is responsible for the collection of their employees' public reports.

After collection of the reports, the ethics contacts for ILAB, WB, and VETS review and certify completed public reports. Once the public reports are certified, they are to be forwarded to OASAM for filing and retention. Ethics contacts are also responsible for sending reminder notices and notices of late fee assessment to late filers. The Counsel for Ethics is to be informed of assessments of late filing fees.

We examined 19 public reports filed within the 3 agencies reviewed at DOL (7 reports filed at ILAB, 5 filed at VETS, and 7 filed at WB). Our examination of the reports disclosed no substantive issues. We found that all reports were filed, reviewed,

and certified in a timely manner. Ethics officials were thorough in their review of the information provided on each public report.

CONFIDENTIAL FINANCIAL DISCLOSURE SYSTEM

DOL has comprehensive written procedures for the confidential financial disclosure system. OASAM also administers the confidential system.

OASAM is responsible for processing new entrant confidential filers for the agencies which it services, such as ILAB, WB, and VETS. OASAM will notify the respective agency ethics contact of a new entrant filer's date of appointment and will also provide the agency with the filer's original confidential report for review.

In the case of the incumbent filers, during early September, OASAM creates a master list of filers to submit to its agencies. The ethics contacts at the agencies are to verify their agency's master list for accuracy. Ethics contacts are to reproduce (by photocopying or printing) copies of the camera-ready April 1999 version of the OGE Form 450 and provide each filer with a blank confidential form. Once the confidential reports are reviewed and certified, ethics contacts are to provide the Counsel for Ethics with the "OGE 450 Reviewer's Chart." The "OGE 450 Reviewer's Chart" allows the Counsel for Ethics to track the OGE Forms 450. The "OGE 450 Reviewer's Chart" contains the following information: the date of appointment, the date the report was received by the agency, the date of intermediate review, the date of certification, and the date on which the filer received ethics training. Certified confidential reports are to be sent to OASAM for retention. Lastly, the Counsel for Ethics is to be provided an updated list of employees who have not yet filed and an updated version of the "OGE 450 Reviewer's Chart."

We examined two confidential reports filed at VETS. ILAB and WB did not have any confidential filers. Of the two reports examined, both were filed, reviewed, and certified in a timely manner. Our examination of the reports disclosed no substantive issues.

EDUCATION AND TRAINING PROGRAM

DOL has established procedures to ensure that all new DOL employees receive Initial Ethics Orientation (IEO) within 90 days of their appointment date. Procedures have been established to ensure that all DOL employees required to receive annual ethics training are appropriately trained.

Initial Ethics Orientation

As required by 5 C.F.R. § 2638.703, all newly hired employees receive an IEO within 90 days of entering on duty. New employees in DOL's national office attend new employee orientation sessions when offered by OASAM's Office of Human Resources. There were at least four sessions conducted during calendar year 2000. In addition, agencies may request separate agency-specific new entrant training for their employees.

Annual Ethics Training

Annual ethics training, during calendar year 2000, for the public and confidential filers, was a one-hour live training session with a qualified instructor present. Approximately 3,065 employees needed to be trained, consisting of 327 public filers and 2,738 confidential filers. The topic for calendar year 2000 ethics training was "Avoiding Conflicts of Interest While Seeking Employment and Post-Government Employment Restrictions." These topics were chosen because of the anticipated transition due to the Presidential Election in November 2000. The written training materials prepared for these sessions included: a post-employment summary briefing outline along with post-employment problems and solutions handouts. Employees had the opportunity to view the OGE-released videotape "Know the Code" and reviewed the Principles of Ethical Conduct in Part I of Executive Order 12674, as modified. Handouts on the Standards of Ethical Conduct for Employees of the Executive Branch were also distributed. In addition, a videotape was distributed during October 2000 to agency ethics contacts and regional solicitors for training financial disclosure filers who were unable to attend live training classes. The videotape was also made available for all other employees upon request.

Training officials who conducted calendar year 2000 sessions were also given copies of relevant statutes and regulations and other guidance (18 U.S.C. §§ 203 and 207, the OGE guidance on the post-employment restrictions, and copies of procurement integrity materials) for their use in preparing for briefings, and a copy of a sign-in sheet suitable for faxing to the national office ethics training coordinator.

The previous DAEO and Alternate DAEO presented "Ethics Minutes" at the Secretary's Executive Staff meetings. These "Ethics Minutes" were held throughout the year for about 5 to 10 minutes. These presentations were conducted for the Secretary, Deputy Secretary, Assistant Secretaries, other officers who have been Presidentially appointed with the advice and consent of the Senate, and senior

staff from the Office of the Secretary and the Deputy Secretary's office. The topics were based on the annual training topics.

An ethics training session was incorporated in the Retirement Planning Seminars offered by OASAM to discuss seeking employment and post-employment restrictions. Individual counseling is available upon request.

COUNSELING AND ADVICE SERVICES

To determine that the counseling and advice services are consistent with the requirements at 5 C.F.R. § 2638.203(b)(7) and (8), we examined the written advice provided since March 2000. Ethics advice is provided on an as-needed basis and the records are kept in electronic mail files. In addition, departing senior level employees receive one-on-one post-employment counseling on an as-needed basis.

In our examination of the written determinations, we found that the advice was timely, comprehensive, and in compliance with the ethics laws. The topics covered a wide range of ethics issues such as outside employment, post employment, seeking employment, and gift acceptance. Our examination of written ethics determinations disclosed that the advice was responsive to the needs of DOL employees.

ACCEPTANCE OF TRAVEL PAYMENTS FROM NON-FEDERAL SOURCES

The General Service Administration's (GSA) Interim Rule 4 at 41 C.F.R. part 304-1, implementing 31 U.S.C. § 1353, authorizes Federal agencies to accept payments for travel, subsistence, and related expenses from non-Federal sources for employees' attendance at meetings or similar functions related to their official duties.

DOL has written procedures in place to approve the acceptance of travel payments, including the requirement for employees to seek approval in advance of the travel. We examined two payments reported on the two semiannual reports to OGE covering the period between April 1, 1999 through March 31, 2000 and the corresponding approvals for accepting payments. We determined that these payments were accepted in accordance with GSA's regulation. Both payments were for attendance at conferences.

Ms. Judith E. Kramer
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COORDINATION WITH THE OFFICE OF
INSPECTOR GENERAL

Pursuant to 5 C.F.R. § 2638.203(b)(12), ethics officials and the Inspector General (IG) representative have an effective working relationship. There have been no referrals to the Department of Justice regarding alleged violations of the criminal conflict-of-interest laws.

CONCLUSION

Based on the results of our review, we conclude that DOL's agencies ILAB, WB, and VETS have a highly effective ethics program. The management of the financial disclosure systems is to be commended. The ethics training program is laudable. The counseling and advice offered by the staff attorney was comprehensive and responsive to the needs of DOL employees. It was apparent that ILAB, WB, and VETS employees are furnished with an effective ethics program.

In closing, I wish to thank you and your staff for all of your efforts on behalf of the ethics program. Under normal circumstances, a short follow-up review is conducted to resolve any recommendations. However, as there were no findings that warranted a recommendation, a follow-up review will not be necessary. A copy of this report is being sent by transmittal letter to the IG. Please contact Peggy Harris at 202-208-8000, extension 1178, if we may be of further assistance.

Sincerely,



Jack Covalesski
Deputy Director
Office of Agency Programs

Report Number 01- 009