

ETHICS PROGRAM INSPECTION REPORT

Agency: National Credit Union Administration

Report No.: 16-20I

Date: February 1, 2016

Period Covered by Review: January 2014 – November 2015

UNITED STATES OFFICE OF GOVERNMENT ETHICS

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1.0 AGENCY DATA		
EMPLOYEES (as reported in the most recent Annual Ethics Program Questionnaire)		
1.1	Number of full-time agency employees	1236
1.2	Number of agency special Government employees	0
1.3	Number of Presidentially appointed, Senate-confirmed (PAS) public financial disclosure reports required to be filed	4
1.4	Number of non-PAS public financial disclosure reports required to be filed	54
1.5	Number of confidential financial disclosure reports required to be filed	1047
ETHICS PROGRAM		
1.6	Title of Designated Agency Ethics Official (DAEO)	General Counsel
1.7	Grade level of DAEO	SSP 3
1.8	Title of Alternate DAEO (ADAEO)	Senior Ethics Counsel
1.9	Grade level of ADAEO	CU 15
1.10	Title of the primary, day-to-day ethics program administrator	Senior Ethics Counsel
1.11	Grade level of the primary, day-to-day ethics program administrator	CU 15
1.12	Current number of full-time ethics officials	0
1.13	Current number of part-time ethics officials	8
1.14	Average full-time equivalent (FTE) value of a part-time ethics official(s) (For example, if part-time ethics officials at the agency generally devote 10 hours per week to ethics work, the average FTE value is 25%.)	19%
1.15	Number of reporting levels between the DAEO and the agency head	1
COMMENTS		
<p><u>Comment:</u> (1.7; 1.9; 1.11) Pursuant to the Federal Credit Union Act, the National Credit Union Administration (NCUA) is not subject to the General Schedule or Senior Executive Service pay systems. NCUA maintains Senior Staff Position (SSP) and Credit Union (CU) systems.</p>		

2.0 LEADERSHIP						
COMPLIANCE REQUIREMENT				Yes	No	N/A
2.1	OGE has received an up-to-date designation from the agency head naming the DAEO. <i>See</i> 5 C.F.R. § 2638.202(c).			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2	OGE has received an up-to-date designation from the agency head naming the ADAEO. <i>See</i> 5 C.F.R. § 2638.202(c).			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMENTS						
None						

3.0 ETHICS AGREEMENTS						
COMPLIANCE REQUIREMENT				Yes	No	N/A
3.1	During the period under review, all PAS officials complied with their ethics agreements. <i>See</i> 5 C.F.R. § 2634.804.			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.2	During the period under review, all PAS officials complied with their ethics agreements in a timely fashion. <i>See</i> 5 C.F.R. § 2634.804.			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.3	During the period under review, the agency notified OGE of ethics agreement compliance in a timely fashion. <i>See</i> DO-09-015.			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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3.4	For all officials currently in PAS positions, the agency maintains documentation of actions taken to comply with ethics agreements. <i>See</i> 5 C.F.R. § 2634.804.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.5	For all officials currently in PAS positions, ethics agreements are maintained with their financial disclosure reports. <i>See</i> 5 C.F.R. § 2634.805.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMENTS				
None				

4.0 PUBLIC FINANCIAL DISCLOSURE (OGE Form 278, OGE Form 278-T)				
COMPLIANCE REQUIREMENT		Yes	No	N/A
4.1	The agency has written policies and procedures in place governing: <i>See</i> 5 U.S.C. app. IV, § 402(d)(1).			
4.1.1	• Collection of public financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.1.2	• Review/evaluation of public financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.1.3	• Public availability of public financial disclosure reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.2	The agency can demonstrate that late filing fees are collected or, where appropriate, waivers are issued when public filers do not timely file financial disclosure reports.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.3	Public financial disclosure reports are securely maintained. <i>See</i> OGE/GOVT-1.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4	Public financial disclosure reports are retained in accordance with the retention requirements. <i>See</i> 5 C.F.R. § 2634.603(g)(1).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DATA ANALYSIS		%		
4.5	Percentage of sampled non-PAS new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(b).	N/A		
4.6	Percentage of sampled non-PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).	100%		
4.7	Percentage of sampled non-PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).	N/A		
4.8	Percentage of sampled non-PAS public financial disclosure reports certified timely (within 60 days of receipt or later when additional information was being sought or remedial action was being taken). <i>See</i> PA-11-04.	96%		
4.9	Percentage of sampled PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).	100%		
4.10	Percentage of sampled PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).	N/A		
4.11	Percentage of sampled PAS annual and termination reports certified timely (within 60 days of receipt or later when additional information was being sought or remedial action was being taken). <i>See</i> 5 C.F.R. § 2634.605(a).	67%		
COMMENTS				
<p><u>Comments:</u> (4.0) OGE assessed the 2015 public financial disclosure reports. (4.5) NCUA did not have any non-PAS new entrant reports during 2015. (4.7) NCUA did not have any non-PAS termination reports during 2015. (4.10) NCUA did not have any PAS termination reports during 2015.</p> <p><u>Concern:</u> (4.11) NCUA certified 1 of the 3 PAS reports (33%) in OGE's sample more than 60 days after the date of receipt. The ADAEO explained that the PAS official filed the report more than two months prior to the May filing deadline, during which time the ethics office was focused on reviewing and certifying the confidential financial disclosure reports due in February. Although the report was reviewed timely, it was certified only after the ethics office shifted its focus to the public financial disclosure submissions due in May. According to the ADAEO, the ethics office will ensure the certification of public financial disclosure reports occurs within 60 days from the date of receipt.</p>				

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5.0 CONFIDENTIAL FINANCIAL DISCLOSURE						
COMPLIANCE REQUIREMENT			Yes	No	N/A	
5.1	The agency has written policies and procedures in place governing: <i>See</i> 5 U.S.C app. IV, § 402(d)(1).					
5.1.1	• Collection of confidential financial disclosure reports			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.1.2	• Review/evaluation of confidential financial disclosure reports			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.2	Confidential financial disclosure reports are securely maintained. <i>See</i> OGE/GOVT-2.			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.3	The agency's OGE-approved alternative confidential financial disclosure system complies with plans approved by OGE. <i>See</i> 5 C.F.R. § 2634.905(a).			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5.4	Confidential financial disclosure reports are retained in accordance with the retention requirements. <i>See</i> 5 C.F.R. § 2634.604.			<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DATA ANALYSIS			%			
5.5	Percentage of sampled confidential new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(b).			85%		
5.6	Percentage of sampled confidential annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(a).			97%		
5.7	Percentage of sampled confidential financial disclosure reports certified timely (within 60 days of receipt or later when additional information was being sought or remedial action was being taken). <i>See</i> 5 C.F.R. §§ 2634.605(a), 2634.909(a).			83%		
COMMENTS						
<p><u>Comments:</u> (5.0) OGE assessed the 2015 confidential financial disclosure reports. (5.3) NCUA does not have an alternative confidential financial disclosure system.</p> <p><u>Concerns:</u> (5.4) OGE identified confidential reports maintained beyond the six-year retention requirement. NCUA subsequently assured OGE that all confidential reports older than six years were destroyed in accordance with applicable retention requirements. Therefore, OGE is not issuing a recommendation for improvement. (5.7) NCUA certified 10 of the 48 reports (17%) in OGE's sample more than 60 days after the date of receipt. According to the ADAEO, the Deputy Ethics Official for one region experienced an isolated increased workload for non-ethics duties and did not have sufficient time to certify the reports timely. During the OGE inspection, the ADAEO assured OGE that the ethics office would continue to send reminders of the 60-day certification requirement throughout the filing season.</p>						

6.0 INITIAL ETHICS ORIENTATION						
COMPLIANCE REQUIREMENT			Yes	No	N/A	
6.1	All initial ethics orientation material contains: <i>See</i> 5 C.F.R. § 2638.703(a) and (b).					
6.1.1	• Current contact information of relevant ethics official(s)			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.1.2	• Copy of the Standards of Ethical Conduct and any agency supplemental standards to keep or review; or • Summaries of the Standards, any agency supplemental standards, and 14 Principles for employees to keep			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2	The agency can demonstrate that it has an effective process to ensure that new employees receive initial ethics orientations. <i>See</i> 5 C.F.R. § 2638.703(c).			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DATA ANALYSIS			%			
6.3	Percentage of new agency employees who received initial ethics orientation within 90 days. <i>See</i> 5 C.F.R. § 2638.703.			100%		
COMMENTS						
None						

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7.0 ANNUAL ETHICS TRAINING						
COMPLIANCE REQUIREMENT			Yes	No	N/A	
7.1	All annual ethics training material contains: <i>See</i> 5 C.F.R. § 2638.704(b).					
7.1.1	• Current contact information of relevant ethics official(s)			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.2	• Review of the criminal conflict of interest statutes			<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.1.3	• Review of the Standards of Ethical Conduct			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.4	• Review of the 14 Principles			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.5	• Review of any agency supplemental standards			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.2	The agency can demonstrate that it has an effective process to ensure that covered employees receive annual ethics training. <i>See</i> 5 C.F.R. § 2638.704(c) and 705(c).			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DATA ANALYSIS			%			
7.3	Public financial disclosure filers who completed annual ethics training. <i>See</i> 5 C.F.R. § 2638.704(a).			100%		
7.4	Confidential financial disclosure filers who completed annual ethics training. <i>See</i> 5 C.F.R. § 2638.705(a)(3).			100%		
COMMENTS						
<u>Concern:</u> (7.1.2) Annual ethics training provided to NCUA employees did not fully cover the criminal conflict of interest statutes.						

8.0 ETHICS ADVICE AND COUNSELING						
COMPLIANCE REQUIREMENT			Yes	No	N/A	
8.1	Based on a sample collected by OGE, guidance provided by agency ethics officials to employees appears to be consistent with applicable laws and regulations.			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMENTS						
None						

9.0 RECOMMENDATION(S)			
#	Element	RECOMMENDATION	Compliance Due
1	4.11	<u>RECOMMENDATION:</u> Ensure PAS public financial disclosure reports are certified within 60 days of receipt. <u>AGENCY RESPONSE:</u> We will ensure that all PAS public financial disclosure reports are certified by July 18, 2016, sixty days after the due date, unless extensions are granted or we have been unable to obtain sufficient information from filers to enable us to certify by that date. We can provide a sample of financial disclosure reports after July 18, 2016.	7/18/16
2	5.7	<u>RECOMMENDATION:</u> Ensure confidential financial disclosure reports are certified within 60 days of receipt. <u>AGENCY RESPONSE:</u> We will ensure that all confidential financial disclosure reports are certified by April 18, 2016, sixty days after the due date, unless extensions are granted or we have been unable to obtain sufficient information from filers to enable us to certify by that date. We can provide a sample of financial disclosure reports after April 18, 2016.	4/18/16

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3	7.1.2	<p><u>RECOMMENDATION:</u> Ensure annual ethics training fully meets the content requirements of 5 C.F.R. § 2638.704(b).</p> <p><u>AGENCY RESPONSE:</u> We will ensure that our annual ethics training for 2016 fully meets the content requirements of 5 C.F.R. § 2638.704(b) and we request a May 1, 2016 deliverable date. We will have our 2016 training slide deck completed by that time and will provide a copy to OGE.</p>	5/1/16
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