

UNITED STATES OFFICE OF  
GOVERNMENT ETHICS

November 27, 2018

Dwight D. Creasy  
General Counsel and  
Designated Agency Ethics Official  
Defense Finance and Accounting Service  
Room #208AA  
8899 East 56th 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 ethics inspection report. In May 2018, OGE conducted a follow-up review to assess whether DFAS had taken sufficient action to resolve the deficiency underlying the recommendation. OGE determined that more time was needed to determine whether the actions taken by DFAS were effective. OGE recently conducted its second follow-up review in October 2018. Based on the results of the second follow-up review, OGE has determined that this recommendation should remain open. The results of our second 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.
Agency Action and OGE Finding
<p>Most of DFAS's difficulty in identifying new entrant filers arises when employees are assigned to serve as Contracting Officer's Technical Representatives (COTR) without notification to ethics officials. A COTR's duties generally require that the employee file a new entrant confidential report. While OGE recognized in its first follow-up review that the DFAS Ethics Program Manager was taking actions to resolve this issue, OGE concluded that more time was needed to determine whether these actions were effective. Of the nine new entrant confidential reports OGE examined during the first follow-up review, seven (22%) were filed late.</p> <p>OGE examined all seven new entrant confidential reports filed at DFAS from April through August 2018 during its second follow-up review. Of the seven reports, three (43%) were filed late. While filing timeliness has improved from the 22% found in OGE's first follow-review, improvement is still needed.</p>
Status of Recommendation: <b>Open</b>

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OGE will conduct a third follow-up in approximately March 2019 to determine whether this recommendation can be closed. 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 202-482-9223.

Sincerely,



Doug Chapman  
Chief, Program Review Branch