

**ETHICS PROGRAM INSPECTION REPORT**

Agency: Postal Regulatory Commission

Report No.: 15-30I

Date: April 21, 2015

Period Covered by Review: January through December 2014

UNITED STATES OFFICE OF  
**GOVERNMENT ETHICS**

  
Preventing Conflicts of Interest  
in the Executive Branch

1.0 AGENCY DATA		
<b>EMPLOYEES</b> (as reported in the most recent Annual Ethics Program Questionnaire)		
1.1	Number of full-time agency employees	73
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	5
1.4	Number of non-PAS public financial disclosure reports required to be filed	29
1.5	Number of confidential financial disclosure reports required to be filed by employees	16
<b>ETHICS PROGRAM</b>		
1.6	Title of Designated Agency Ethics Official (DAEO)	General Counsel
1.7	Grade level of DAEO	PRC 8
1.8	Title of Alternate DAEO (ADAEO)	Attorney-Advisor
1.9	Grade level of ADAEO	PRC 6
1.10	Title of the primary, day-to-day ethics program administrator	Attorney-Advisor
1.11	Grade level of the primary, day-to-day ethics program administrator	PRC 6
1.12	Current number of full-time ethics officials	0
1.13	Current number of part-time ethics officials	3
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%.)	25-75%
1.15	Number of reporting levels between the DAEO and the agency head	1
<b>COMMENTS</b>		
None		

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"/>	
<b>COMMENTS</b>					
None					

3.0 ETHICS AGREEMENTS					
COMPLIANCE REQUIREMENT			Yes	No	N/A
3.1	All officials currently in PAS positions have 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	All officials currently in PAS positions 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	For all officials currently in PAS positions, 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"/>	

## ETHICS PROGRAM INSPECTION REPORT

Agency: Postal Regulatory Commission

Report No.: 15-30I

Date: April 21, 2015

Period Covered by Review: January through December 2014



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	All PAS officials' 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"/>
<b>COMMENTS</b>				
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"/>
4.5	Agency ethics officials respond promptly to requests by OGE for additional information regarding PAS annual and termination public financial disclosure reports. <i>See</i> 5 U.S.C. app. IV, § 402(d)(1). <i>See</i> 5 C.F.R. § 2638.203(b)(14).				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DATA ANALYSIS				%			
4.6	Percentage of sampled non-PAS new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(b).				100%		
4.7	Percentage of sampled non-PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).				100%		
4.8	Percentage of sampled non-PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).				N/A		
4.9	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.				89%		
4.10	Percentage of sampled PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).				100%		
4.11	Percentage of sampled PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).				100%		
4.12	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).				100%		
COMMENTS							
<p>(4.1) At the time of OGE's onsite inspection, the Postal Regulatory Commission's (PRC) written procedures governing its financial disclosure program did not fully comply with Title I of the Ethics in Government Act because they did not adequately address the agency's process for the review and evaluation of financial disclosure reports. Prior to the conclusion of the inspection, PRC amended its procedures and they are now in compliance with relevant requirements.</p> <p>(4.2) Neither a late filing fee nor a waiver of the late filing fee was collected or issued in 2014. However, in the event this would be necessary, the process for collecting and/or waiving the late fee is documented in PRC's written procedures governing financial disclosure.</p> <p>(4.8) No non-PAS termination reports were required to be filed in calendar year 2014.</p>							

## ETHICS PROGRAM INSPECTION REPORT

Agency: Postal Regulatory Commission

Report No.: 15-30I

Date: April 21, 2015

Period Covered by Review: January through December 2014



(4.9) OGE examined 27 non-PAS public reports filed in 2014. Of the 27 reports examined, OGE identified 3 reports that had not been certified at the time of the inspection. OGE followed up with the DAEO regarding these three reports and was provided the following explanation:

- All three reports disclosed assets that created either an actual or apparent conflict of interest which required filers to divest. (PRC's Designated Deputy Ethics Official coordinated with OGE on one report to discuss options for divestiture.) Divestments did not occur immediately for two of the three filers, however, they both eventually provided proof of divestiture to PRC ethics officials. The DAEO acknowledged that the final step of certifying both reports was overlooked. The DAEO confirmed that a certification signature and date has now been added to both reports.
- Regarding the remaining filer, the DAEO indicated that the filer's report had not been certified because the filer had only partially divested of conflicting assets and was still awaiting action from her broker to divest of the remaining assets. Also, according to the DAEO, at the time the filer was instructed to divest, the filer was also simultaneously counseled about recusing herself from matters that could pose a potential conflict. The filer requested and ethics officials granted several extensions for the filer to complete her divestiture since it involved transactions in Hawaii. OGE was informed by the DAEO that the filer completed divestiture of all conflicting assets on April 2, 2015. The report has now been certified.

### 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>DATA ANALYSIS</b>		<b>%</b>		
5.5	Percentage of sampled confidential new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(b).	100%		
5.6	Percentage of sampled confidential annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(a).	100%		
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).	93%		

#### COMMENTS

(5.3) PRC does not have an alternative confidential financial disclosure system.

(5.7) According to the DAEO, delayed certification for one confidential financial disclosure report was due to additional information being sought by PRC ethics officials.

## ETHICS PROGRAM INSPECTION REPORT

Agency: Postal Regulatory Commission

Report No.: 15-30I

Date: April 21, 2015

Period Covered by Review: January through December 2014

UNITED STATES OFFICE OF  
GOVERNMENT ETHICS

Preventing Conflicts of Interest  
in the Executive Branch

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	<ul style="list-style-type: none"> <li>Current contact information of relevant ethics official(s)</li> </ul>				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.1.2	<ul style="list-style-type: none"> <li>Copy of the Standards of Ethical Conduct and any agency supplemental standards to keep or review; or</li> <li>Summaries of the Standards, any agency supplemental standards, and 14 Principles for employees to keep</li> </ul>				<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"/>
<b>DATA ANALYSIS</b>				%			
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%		
<b>COMMENTS</b>							
<p><u>Model Practices</u>                      OGE identifies model practices and shares them when they may benefit other agencies. The following are model practices OGE noted that PRC implemented to enhance its initial ethics orientation program:</p> <ol style="list-style-type: none"> <li>Ethics officials give all new employees one hour of in-person ethics training during new employee orientation.</li> <li>Ethics officials developed an Ethics Guide which they give to new employees during new employee orientations to help underscore the importance of adhering to ethical principles.</li> </ol>							

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	<ul style="list-style-type: none"> <li>Current contact information of relevant ethics official(s)</li> </ul>				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.2	<ul style="list-style-type: none"> <li>Review of the criminal conflict of interest statutes</li> </ul>				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.3	<ul style="list-style-type: none"> <li>Review of the Standards of Ethical Conduct</li> </ul>				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.4	<ul style="list-style-type: none"> <li>Review of the 14 Principles</li> </ul>				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1.5	<ul style="list-style-type: none"> <li>Review of any agency supplemental standards</li> </ul>				<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"/>
<b>DATA ANALYSIS</b>				%			
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%		

## ETHICS PROGRAM INSPECTION REPORT

Agency: Postal Regulatory Commission

Report No.: 15-30I

Date: April 21, 2015

Period Covered by Review: January through December 2014



### COMMENTS

#### Model Practices

The following are model practices OGE noted PRC implemented to enhance its annual ethics program:

1. Ethics officials require all employees to attend in-person annual ethics training.
2. In an effort to remind PRC employees about specific ethics rules and requirements when they may be particularly relevant, ethics officials created the "Ethics Dispatch" to highlight on a periodic basis the most important information about an ethics topic or requirement.

### 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.

#### COMMENTS

None