

**AUDIT REPORT
11-01**

**Government Printing Office's Ethics Program
December 16, 2010**

**Date**

December 16, 2010

To

Public Printer
Acting General Counsel

From

Assistant Inspector General for Audits and Inspections

Subject

**Final Report on Audit of Government Printing Office's Ethics Program
Report Number 11-01**

Enclosed please find the subject final report. Please refer to the Results of Audit section of the report for a summary of the audit. Our evaluation of your response has been incorporated into the body of the report and the response is included in its entirety at Appendix C. We consider management's proposed actions responsive to the report's two recommendations. Both recommendations will remain open pending completion of the agreed upon corrective actions. Please notify us when those actions are complete. The status of each recommendation upon issuance of this report is included in Appendix D. The final report distribution is in Appendix F.

We appreciate the courtesies extended to the audit staff. If you need additional information or would like to arrange a meeting to discuss this final report, please contact me at (202) 512-2009.

A handwritten signature in black ink that reads "Kevin J. Carson". The signature is written in a cursive, flowing style.

Kevin J. Carson
Assistant Inspector General for Audits and Inspections

Enclosure

cc:

Deputy Public Printer

Acting Chief Management Officer

Chief Technology Officer

Introduction

The Government Printing Office (GPO) Office of Inspector General (OIG) has completed an audit of the Agency's ethics program, which is administered by the Office of the General Counsel (OGC). Within OGC, the Deputy General Counsel serves as the Agency's ethics officer and primary point of contact for the ethics program. GPO's ethics program must comply with the Ethics in Government Act of 1978, as well as other statutes as described in GPO Instruction 655.3A, "Standards of Conduct for Government Printing Office Officers and Employees," dated June 10, 1988. The Instruction establishes the standards of ethical and financial conduct for GPO employees, consultants, advisers, and other special Government employees, and requires that GPO personnel maintain high standards of moral and ethical conduct; consistently exercise honesty, integrity, and impartiality in the performance of their duties; and avoid any actions that might adversely reflect on the Agency.

The Office of Government Ethics (OGE) also provides Federal ethics guidance in the form of executive branch regulations¹ and Agency Model Practices. The model practices consist of elements of individual agency ethics programs that OGE believes may serve as useful benchmarks for exceeding mere compliance with OGE regulations. They are designed to increase the transparency, efficiency, accuracy, accountability, and consistency of an agency's ethics program; and they address areas such as training and education, communication of ethics information, and the importance of written standard operating procedures.

The objectives of the audit were to determine whether (1) GPO complied with applicable Federal ethics guidance, and (2) the ethics program at GPO was consistent with Federal Government best practices.² Appendix A provides further details on the audit's objectives, scope, and methodology.

Results of Audit

Although we did not identify specific instances of ethics violations or noncompliance, we found that GPO does not have an established ethics program that is consistent with Federal Government best practices. For example, OGC does not have written standard operating procedures for routine ethics officer responsibilities; does not always document its handling of ethics-related matters; and has not updated its ethics policies, which are between 22 and 38 years old and refer to offices or procedures that no longer exist. Further, a majority of Agency

¹ Regulations issued by or affecting OGE and its mission include Title 5 of the Code of Federal Regulations, Parts 2634, 2635, 2636, 2638, and 2641, which address financial disclosure statements, standards of ethical conduct, limitations on outside earned income and employment, and post-employment activities.

² As a legislative branch agency, GPO is not subject to OGE regulations. Nevertheless, we considered OGE regulations as best practices along with OGE Agency Model Practices and the best practices we identified by benchmarking other legislative branch ethics programs at the Library of Congress, the Government Accountability Office, and the Architect of the Capitol.

employees who completed a survey on GPO's ethical climate and the effectiveness of the ethics program did not believe or were unsure whether GPO's culture and atmosphere promote ethical behavior and conduct.³ As a result, Agency assets and operations may be at greater risk because of potential misconduct and unethical behavior.

We made recommendations to GPO management that should improve the Agency's ethics program and, in turn, its overall ethical culture. We also made observations related to (1) the retention of employee financial disclosure statements,⁴ and (2) implementation of outside employment reporting requirements. These observations are presented for management's consideration.

Background

An agency's ethics program is the formalized means by which senior management can educate and enlighten agency employees and prevent or detect employee misconduct and violations of ethics regulations. An effective ethics program inspires employees not only to comply with ethics regulations, but to fulfill the highest ideals of public service and provide the public with full faith and confidence that the agency's mission, programs, and functions are fair and impartial.

According to the Ethics Resource Center,⁵ the government's most important asset is public trust. When public trust is present, citizens believe that elected officials, political appointees, and career public servants are acting in their best interest. When public trust erodes due to misconduct or unethical behavior, the ability of the government to address the public interest erodes as well. Unfortunately, misconduct and unethical behavior are not uncommon in the government. A National Government Ethics Survey conducted by the Ethics Research Center in 2007 showed that:

- 24 percent of government employees work in environments conducive to misconduct (i.e., employees experience strong pressure to compromise standards, situations invite wrongdoing, and/or the employees' personal values conflict with the values espoused at work).
- 52 percent of Federal employees witnessed a violation of ethics standards, policies, or laws in their workplace within the previous year.

³ Appendix E provides detailed information on our survey of the GPO workforce.

⁴ The Ethics in Government Act of 1978 requires certain GPO employees to file an annual United States House of Representatives Ethics in Government Act Financial Disclosure Statement, Form A.

⁵ The Ethics Resource Center is a nonprofit, nonpartisan organization dedicated to independent research that advances high ethical standards and practices in public and private institutions. The Center's research, specifically the National Workplace Ethics Study, which includes the 2007 National Government Ethics Survey, is the national benchmark for organizational ethics. As the country's most rigorous measure of trends in workplace ethics and compliance, the Center's research is a guide to identifying ethics risks and measures of effective ethics programs.

- Almost one-third of government employees who observed misconduct did not report what they observed.

Conversely, the survey showed that when government organizations have a well-implemented ethics program and a strong ethical culture, misconduct drops by 60 percent and reporting of ethical concerns rises by 40 percent. As a result, the Ethics Resource Center concluded that Federal employees are most likely to adhere to rigorous standards of ethical conduct when ethics are woven into the fabric of everyday work life and decision-making. The Center further concluded that a commitment to ethics that engages government employees at all levels and incorporates ethical considerations into operational decisions is critical for reducing misconduct and protecting public trust in government.

Although GPO is not subject to many of the Federal ethics regulations that apply to executive branch agencies, including those issued by OGE, GPO's ethics policies – primarily captured in GPO Instruction 655.3A – generally adhere to those of the executive branch.

Findings and Recommendations

A. GPO's Ethics Program and Culture Need Improvement

GPO does not have an established ethics program that is consistent with Federal Government best practices. For example, in an OIG survey of the GPO workforce, 54 percent of respondents expressed some doubt or uncertainty about whether management is concerned about ethics. GPO lacks a strong ethics program because management has not devoted sufficient resources or attention to the program. Without a robust ethics program, GPO's culture and atmosphere may not sufficiently promote ethical behavior and conduct.

Benchmarking Best Practices

To identify best practices, we reviewed OGE regulations and Agency Model Practices, and we met with ethics officials from the Library of Congress (LOC), the Government Accountability Office (GAO), and the Architect of the Capitol (AOC). The following table summarizes the best practices against which we benchmarked GPO's ethics program.

Topic Area	Best Practices
Ethics training and education	OGE recommends formal training for all employees on a regular basis and, as needed, targeted training for specific groups of employees, such as supervisors and procurement personnel; LOC and GAO use Web-based training for new employee orientation; AOC is developing specialized training for procurement personnel
Communication of ethics information	OGE recommends frequent dissemination of ethics information to keep employees aware of ethics issues; LOC and GAO maintain ethics intranet sites and regularly distribute ethics reference materials to employees; LOC includes ethics information in agency newsletters; AOC occasionally provides information to employees through newsletters, town hall meetings, and an intranet site
Written standard operating procedures	OGE recommends comprehensive written standard operating procedures to promote consistency and efficiency; LOC maintains detailed written standard operating procedures governing the financial disclosure review process
Recordkeeping	OGE recommends a formalized system for tracking the review status of financial disclosure files and recordkeeping of ethics counseling activities, as appropriate; LOC maintains financial disclosure files by date and tracks their review status using detailed spreadsheets and pie charts

GPO Standards of Conduct and Other Ethics Policies

GPO Instruction 655.3A, “Standards of Conduct for Government Printing Office Officers and Employees,” June 10, 1988, establishes the standards of ethical and financial conduct for GPO employees. The Instruction includes specific statutory prohibitions and addresses broad ethical issues such as accepting gifts, engaging in outside employment, identifying and resolving financial conflicts of interest, and misusing Government information, property, facilities, and staff. Overall, the Instruction states that GPO employees should avoid any action that would result in or create the appearance of:

- using public office for private gain;
- giving preferential treatment to any person;
- impeding Government efficiency or economy;
- losing complete independence or impartiality;
- making a Government decision outside official channels; or

- adversely affecting the public's confidence in the Government's integrity.

Other relevant policies include:

- GPO Instruction 610.4, "Reporting Employment Outside the GPO," July 31, 1972;
- GPO Instruction 655.1, "Employee Conduct," February 23, 1973;
- GPO Instruction 655.2B, "Indebtedness Policy," December 4, 1974; and
- GPO Instruction 655.10, "Conflict of Interest," August 9, 1976.

Collectively, these policies form the basis for GPO's ethics program.

GPO's Ethics Program is Not Consistent with Federal Government Best Practices

Although GPO's ethics policies generally adhere to executive branch standards and its core values include a commitment to integrity, honesty, and the highest ethics, GPO does not have an ethics program that is consistent with Federal Government best practices. After comparing GPO's ethics program with OGE regulations and Agency Model Practices, as well as with ethics programs of other similarly-sized legislative branch agencies, we found that GPO's OGC:

- has not developed or required formal ethics training and education;
- needs to improve the overall management of the Agency's ethics program; and
- does not routinely communicate important ethics information to the workforce.

No Formal Ethics Training and Education. GPO has not developed or required formal ethics training and education in accordance with Federal Government best practices. Moreover, the ethics training that is available is insufficient. For example, although GPO University offers optional business ethics courses as part of a suite of off-the-shelf, Web-based training, the ethics courses are not tailored to meet GPO's needs, do not include information specific to GPO as a legislative branch agency, and are not being used by employees. In fact, GPO University records show that, in fiscal year 2009, only two employees completed a Web-based ethics course.

The ethics officer provides an overview of ethics policies and points of contact at all new employee orientation sessions and discusses potential ethical issues with new

supervisors and some organizations at GPO Headquarters in Washington, D.C.⁶ However, employees at GPO's 15 Regional Print Procurement Offices and the secure passport production facility at the Stennis Space Center in Mississippi do not receive regular ethics training and education. Moreover, in our survey of GPO's workforce, 55 percent of respondents either had not received ethics training and education during the last three years or have never received such training while employed at GPO.

As further evidence of the need for ethics training, 38 (or 14 percent) of the 263 optional comments provided by employees in response to our survey were requests or suggestions for additional, formal ethics training and education.

Management of Ethics Program Needs Improvement. The overall management of the Agency's ethics program needs improvement. For example, GPO's ethics-related instructions were written between 22 and 38 years ago and are in need of updating to reflect subsequent changes within GPO and the Federal Government. Some of the policies referred to GPO offices that no longer exist, such as the Employment Division, and processes that have been revised or cancelled, such as the filing of GPO Form 643, "Reporting Employment Outside the Government Printing Office."⁷ Additionally, although we found some evidence of the ethics officer's counseling activities and annual review of financial disclosure statements, OGC's recordkeeping is inconsistent and incomplete, and therefore does not always adequately document the ethics officer's advice or handling of ethics matters.

Finally, OGC does not have written standard operating procedures for routine ethics officer responsibilities, such as processing financial disclosure statements. Instead, the ethics officer relies upon his own institutional knowledge and experience to perform those tasks. Based on our benchmarking activities, we believe that developing and maintaining current policies, consistent and complete records, and written standard operating procedures for routine tasks are best practices that OGC should implement to improve the overall management of GPO's ethics program.

No Routine Communication of Important Ethics Information. Although there are multiple means for disseminating important information to GPO employees, OGC does not routinely communicate important ethics information to the workforce. For example, the Agency has not developed a communication plan for the ethics program or otherwise made use of the following existing resources:

- *GPO Headlines.* According to the Employee Communications Office, *GPO Headlines* is the Agency's "single source for important news, updates, and

⁶ On March 31, 2010, we observed the ethics officer and a staff attorney provide to Acquisitions personnel ad hoc training that covered general ethics matters, including gifts, financial conflicts of interest, nepotism, compensation from non-Federal sources for performing Federal duties, and the Hatch Act, as well as issues specific to the contracting environment.

⁷ The Other Observations section of this report provides detailed information on the implementation of outside employment reporting requirements.

information.” Employee Communications emails this electronic newsletter to all employees each week and distributes a paper version for those employees who do not have regular access to a computer.

- *Typeline*. Issued two to three times a year, *Typeline* is a magazine designed for GPO employees, retirees, and their families.
- *Link*. The Employee Communications Office uses *Link* to distribute information in a slideshow screen saver format on all GPO workstations, as well as on flat screen monitors located near elevators and throughout GPO buildings.
- GPO Intranet. GPO business units, including OGC, are allocated a page on the GPO intranet for sharing and distributing important information, news, and events.

Our survey of GPO’s workforce indicates that more frequent and meaningful communication about the ethics program is needed and desired. For example, only 19 percent of survey respondents were able to correctly identify GPO’s ethics officer. Additionally, 44 percent of respondents who sought ethics advice from someone other than the Agency ethics officer in the last 2 years reported that, in part, it was because they did not know GPO had an ethics officer. Another 14 percent with recent ethical concerns who did not seek ethics advice at all reported that they were also unaware that GPO had an ethics officer. Additionally, numerous employee comments provided in response to our survey reflect an overall need and desire for improved communication regarding the GPO ethics program.

Routine communication of ethics information through any of the existing channels described above is a best practice that the Agency and OGC could employ to keep the workforce informed, as well as to reinforce the Agency’s commitment to high ethical standards and moral conduct.

Insufficient Resources and Management Attention

GPO does not have an ethics program that is consistent with Federal Government best practices because management has not made it a priority or otherwise devoted sufficient resources or attention to the program. While other similarly-sized, comparable agencies dedicated one attorney full time or multiple attorneys part of the time to performing ethics-related tasks, GPO has only one attorney – the Deputy General Counsel – responsible for the ethics program. In fact, functioning as the Agency’s ethics officer is only one of the Deputy General Counsel’s many responsibilities since he has also been acting as the Agency’s General Counsel for more than a year. Due to a lack of time and other competing priorities in his multiple positions, the Deputy General Counsel cannot always devote sufficient time and attention to administering the ethics program. For example, although it is

important to perform timely review of employee financial disclosure statements to quickly identify and resolve any conflicts of interest, the ethics officer was unable to review the 2009 statements until 9 months after they were filed. During our audit, the ethics officer began succession planning activities and tasked other OGC personnel with ethics-related responsibilities. Nonetheless, the lack of sufficient resources and management attention devoted to the ethics program prior to our audit led to the state of the program that we observed.

Culture and Atmosphere May Not Sufficiently Promote Ethical Behavior

Without a robust ethics program, GPO's culture and atmosphere may not sufficiently promote ethical behavior and conduct. Our survey showed that a majority of respondents did not believe or were unsure whether GPO's culture and atmosphere promote ethical behavior and conduct. In fact, 54 percent of respondents expressed doubt or uncertainty about whether management cared about ethics. While 59 percent reported that they would feel comfortable reporting ethics violations, the majority were not sure or expressed disbelief when asked whether (1) GPO takes action to resolve reported ethics concerns, and (2) GPO disciplines non-supervisory employees, managers, and executives who are caught violating ethics rules.

In addition, 20 percent of respondents who had ethical concerns during the past two years but did not consult the ethics officer stated that it was because they did not believe action would be taken in response to their concerns.⁸ Further, ten percent of employees who provided comments in response to our survey indicated a general belief that senior management lacks ethics, and that ethics rules at GPO are inconsistently or ineffectively enforced as a result of a weak ethical culture. Due to this general perception by employees, GPO assets and operations may be at greater risk because of potential misconduct and unethical behavior. As GPO continues to pursue its goal of becoming a 21st Century information processing and dissemination operation, management must properly prioritize the ethics program and improve GPO's ethical culture to meet its stated core values, which include integrity, honesty, and the highest ethics.

Recommendations

1. The Public Printer should take the following actions to improve GPO's ethical culture:
 - a. Reinforce the Agency's commitment to high ethical standards and moral conduct by requiring ethics training for all GPO employees and openly

⁸ Of the 105 employees who had ethical concerns in the past 2 years but did not consult the ethics officer, and who provided specific reasons as to why not, 21 (or 20 percent) stated that it was because they did not believe that action would be taken in response to their concerns.

communicating to the workforce the value of the GPO ethics program and the importance of a strong ethical culture.

- b. Designate a full-time ethics officer and allocate OGC sufficient resources to properly develop, manage, and administer a well-established, comprehensive ethics program.

Management's Response. Partially Concur. The Public Printer has directed the designated Ethics Officer (Acting General Counsel) to devise a program whereby all GPO employees are regularly trained, exposed to and informed about ethics issues and concerns. In addition, the Public Printer will communicate directly with agency employees the value he as Public Printer personally places on maintaining an ethical culture at the agency in which it is understood that ethical conduct is an essential requirement for employment with the GPO.

Earlier this calendar year and well before receipt of the draft audit, the OGC had been in contact with the staff of what is now referred to as GPO University to construct a program of ethics training and advisory information on ethical matters that will be deployed to all employees. Though there is work yet to be done to finalize the details of the curriculum, the plan includes employee communications regarding ethics issues via the video monitor system which began in October 2010, instructor lead training to begin in January 2011, and on-line programs to start in the spring of 2011.

It has been the case for the last several years that, as part of the on-boarding process, all new employees are briefed on and provided documents regarding the agency's standards of conduct, the Hatch Act, Prohibited Personnel Practices, the Whistleblower Protection Act, and the operations of the Office of Inspector General, where they can file complaints of ethical violations. We plan to continue and enhance that program to include more focused information presented in an environment that will impress upon new employees the importance of an ethical culture at GPO. In addition, as the report recognizes, the OGC does regularly brief business units—particularly those with contracting responsibilities—on ethics issues. This effort also will continue.

For a variety of reasons, the recommendation that the Public Printer designate a full-time ethics officer will not be implemented at this time. We acknowledge that GAO has a fulltime ethics officer, but GAO's mission and staff are very different from GPO, and the rationale for having a full time ethics officer may be driven by those facts. The Library of Congress, which the report cites as a comparator, does not have a full-time ethics officer. However, and again earlier this year before the draft report was issued, in an effort to add resources to the ethics function, OGC embarked on a process in which two senior attorneys within OGC are assigned on a regular basis to assist the Ethics Officer in responding to ethics inquiries and providing ethics advice. This we believe will provide adequate and complimentary

support to the Ethics Officer while also providing redundancy in this subject area within OGC. The complete text of management's response is in Appendix C.

Evaluation of Management's Response. Management's planned actions are responsive to the recommendation. While we continue to be of the opinion that the agency should have a full-time ethics officer, the OGC's alternative action to increase resources assigned to agency ethics matters is responsive. The recommendation is resolved but undispositioned, and will remain open for reporting purposes pending completion of the agreed upon corrective actions.

2. The GPO ethics officer should take the following actions to improve the Agency's ethics program:
 - a. Work with GPO University and, as needed, the Office of the Chief Information Officer, to develop or acquire formal, comprehensive, GPO-specific ethics training and education for all employees and targeted ethics training and education, as necessary, for specific subsets of GPO's workforce, such as supervisors, procurement personnel, etc.

Management's Response. Concur. See proposed agency actions with respect to ethics training and advisory information in response to recommendation 1 above (see Appendix C).

Evaluation of Management's Response. Management's planned action is responsive to the recommendation. The recommendation is resolved but undispositioned, and will remain open for reporting purposes pending the completion and implementation of the Agency's newly developed ethics training programs.

- b. Update ethics policies to reflect the current organizational structure, processes, and procedures.

Management's Response. Concur. We intend to have a revised draft to the unions for concurrence on or before January 15, 2011. We note that the Standards of Conduct Directive, though outdated in some respects, corresponds closely in many areas with OGE's regulations in effect for the executive branch. The provisions regarding what a GPO employee may accept from an outside or prohibited source are stricter than is the case in the executive branch (see Appendix C).

Evaluation of Management's Response. Management's planned action is responsive to the recommendation. The recommendation is resolved but undispositioned, and will remain open for reporting purposes pending the formal publishing of all updated ethics-related policies.

- c. Improve recordkeeping of documents that support the ethics officer's activities and decisions.

Management's Response. Concur. We will develop filing and retention policies for ethics advice that is provided. (We are not aware of any instance in which ethics advice was rejected or not followed, but understand that it is preferred practice to have a cohesive record of the advice provided, for COOP and succession purposes (see Appendix C)).

Evaluation of Management's Response. Management's planned action is responsive to the recommendation. The recommendation is resolved but undispositioned, and will remain open for reporting purposes pending the formal publishing of the proposed filing and retention policies.

- d. Establish written standard operating procedures for routine ethics officer responsibilities.

Management's Response. Concur. We will develop SOP's for dealing with financial disclosure reports, which is a multi-step process. We concur that this should be documented for succession purposes. However, we do not see the efficacy of developing SOP's for responding to ad hoc ethics inquiries. This we believe is adequately addressed with an improved record of ethics advice, as noted above (see Appendix C).

Evaluation of Management's Response. Management's planned action is responsive to the recommendation. The recommendation is resolved but undispositioned, and will remain open for reporting purposes pending the formal publishing of the proposed standard operating procedures.

- e. Work with the Employee Communications Office to develop a communications plan for the ethics program and use available resources to routinely communicate important ethics information to the GPO workforce.

Management's Response. Concur. See proposed agency actions with respect to ethics training and advisory information in response to recommendation 1 above (see Appendix C).

Evaluation of Management's Response. Management's planned action is responsive to the recommendation. The recommendation is resolved but undispositioned, and will remain open for reporting purposes pending the formal publishing of the proposed standard operating procedures.

B. Other Observations

The following observations were made during the audit and are presented for management's consideration and disposition as necessary.

Inappropriate Retention of Financial Disclosure Statements

Title 1, Section 103(h)(1) of the Ethics in Government Act requires that GPO employees' annual financial disclosure statements are to be filed with the Clerk of the House of Representatives. Title 1, Section 105(d) further requires that any statement filed pursuant to the Act shall be retained by the agency, supervising ethics office, Clerk of the House of Representatives, or the Secretary of the Senate, as the case may be, for a period of six years and then destroyed unless needed in an ongoing investigation. Section 13.5 of GPO Publication 840.7, "U.S. Government Printing Office Comprehensive Records Schedule," January 1996, also requires that employee financial disclosure information be destroyed after six years. However, because GPO's ethics officer was unaware of the requirements for destroying employee financial disclosure statements, OGC had retained Agency copies of statements dating from 1978 when the Act was passed. Both former and current employees had filed the statements, and OGC was storing them at GPO Headquarters either within OGC's office or in a locked storage room managed by the GPO Records Manager.

As a result of our observation, OGC identified its copies of all employee financial disclosure statements older than six years. However, OGC intends to destroy only those statements from former employees and will retain indefinitely statements of current employees.

We believe that OGC's continued retention of financial disclosure statements older than six years does not comply with the GPO records schedule and the intent of the Ethics in Government Act. To prevent continued and future inappropriate retention of financial disclosure statements, the ethics officer should destroy all statements older than six years that are not needed to support ongoing litigation. The ethics officer should also establish written standard operating procedures for maintaining and destroying all future statements in accordance with the six-year retention period established in the records schedule and the Act. Finally, to facilitate easy identification of future statements to be destroyed, the ethics officer should consider implementing a filing system that organizes statements by year instead of by employee name.

Failure to Implement Outside Employment Reporting Requirements

GPO Instruction 610.4, "Reporting Employment Outside the Government Printing Office," July 31, 1972, requires employees to notify GPO management of any outside employment activities by submitting to the Employment Division GPO Form 643,

“Reporting Employment Outside the Government Printing Office.” However, neither the Employment Division nor Form 643 existed at the time of the audit. Moreover, the only information that OGC routinely collects regarding employees’ outside employment activities is information included in the financial disclosure reports of GS-15 employees and above.

When asked how other employees report outside employment so that potential conflicts with official duties can be identified and addressed, the ethics officer referred us to the Agency’s Human Capital Office. However, Human Capital personnel stated that they do not maintain such records.

Section 803 of the Standards of Conduct for Employees of the Executive Branch⁹ permits agencies to require all categories of employees to obtain prior approval before engaging in employment outside of their official duties. Although GPO, as a legislative branch agency, is not subject to these standards of conduct, OGC should consider re-implementing the outside employment reporting requirements established in GPO Instruction 610.4. Further, the ethics officer should ensure that (1) all employees are aware of the requirements, and (2) an appropriate form is available to facilitate timely reporting. Forms should be submitted directly to the ethics officer or his designee to increase the likelihood that potential conflicts of interest with employees’ official duties are identified and appropriately addressed. Finally, the ethics officer should update GPO 610.4 to accurately reflect the new reporting procedures.

⁹ Codified in 5 C.F.R. Part 2635.

Appendix A. Objectives, Scope, and Methodology

Objectives

The objective of this audit was to evaluate GPO's ethics program and determine whether (1) GPO complied with applicable Federal ethics guidance, and (2) the GPO ethics program was consistent with Federal Government best practices.

Scope and Methodology

To accomplish our audit objectives, we reviewed a number of Federal Government guidelines and regulations related to ethics and compared them with GPO policy. Although many Federal regulations do not apply to GPO, we considered those regulations as best practices.

Specific GPO policies we reviewed included:

- GPO Instruction 610.4, "Reporting Employment Outside the Government Printing Office," July 31, 1972
- GPO Instruction 655.1, "Employee Conduct," February 23, 1973
- GPO Instruction 655.10, "Conflict of Interest," August 9, 1976
- GPO Instruction 655.2B, "Indebtness Policy," December 4, 1974
- GPO Instruction 655.3A, "Standards of Conduct for Government Printing Office Officers and Employees," June 10, 1988

Specific Federal laws, regulations, and guidelines we reviewed included:

- Ethics in Government Act of 1978 (Title 5 of the United States Code, Appendix, Sections 101 – 111 and 501 - 505)
- Title 18 of the United States Code, Sections 201 – 219, "Conflicts of Interest"
- Title 5 of the Code of Federal Regulations (CFR), Part 2634, "Executive Branch Financial Disclosure, Qualified Trusts, and Certificates of Divestiture"
- 5 CFR, Part 2635, "Standards of Ethical Conduct for Employees of the Executive Branch"

Appendix A

- 5 CFR, Part 2636, “Limitations on Outside Earned Income, Employment, and Affiliations for Certain Noncareer Employees”
- 5 CFR, Part 2638, “Office of Government Ethics and Executive Agency Ethics Program Responsibilities”
- 5 CFR, Part 2641, “Post-Employment Conflict of Interest Restrictions”
- OGE Ethics Program Review Guidelines, October 2004

To evaluate the elements of GPO’s ethics program and the Agency’s overall ethical culture, we:

- discussed with the GPO ethics officer and OGC staff topics including ethics training and education; communication, counseling, and outreach activities; processes for submission, review, filing, and destruction of employee financial disclosure statements; and the structure, staffing, and resources allocated to the ethics program
- reviewed all financial disclosure statements, conflict of interest statements, records of new employee orientation training, and evidence of ethics officer counseling that occurred between 2008 and 2009
- surveyed the GPO workforce to obtain their perspective on GPO’s ethical climate and the overall effectiveness of the ethics program, as well as to obtain feedback and suggestions for needed improvements to the program
- attended (1) OGE training on conducting ethics program self assessments and recognizing the elements of a complete ethics program, and (2) the 17th National Government Ethics Conference, sponsored by OGE in May 2010

To identify best practices from OGE and similarly-sized legislative branch agencies, we reviewed OGE’s Agency Model Practices and met with ethics officials from LOC, GAO, and AOC. We compared those agency ethics programs, activities, policies, and procedures with GPO’s.

We did not obtain or rely on any computer-generated data in conducting this audit.

Management Controls Reviewed

We reviewed management controls related to the internal control structure of GPO's ethics program, specifically the program's processes, policies, procedures, and resources. In conducting our review of management controls, we followed GAO Internal Control Standards and GPO Instruction 825.18A, "Internal Control Program," May 28, 1997, paragraph 7(a), which states, "The Public Printer has the overall responsibility to ensure that an effective internal control structure is established and maintained by GPO's managers for all programs, functions, and activities."

The audit identified management control weaknesses, which are described in detail in this report.

Audit Field Work

We performed field work from January 2010 through July 2010 at GPO Headquarters in Washington, D.C. We performed the audit in accordance with generally accepted government auditing standards.

Appendix B. Acronyms Used in the Report

AOC	Architect of the Capitol
CFR	Code of Federal Regulations
GAO	Government Accountability Office
GPO	Government Printing Office
LOC	Library of Congress
OIG	Office of Inspector General
OGC	Office of General Counsel
OGE	Office of Government Ethics

Appendix C. Management's Response

GOVERNMENT PRINTING OFFICE

memorandum

DATE: December 3, 2010
REPLY TO
ATTN OF: Deputy General Counsel
SUBJECT: Management Response to Audit of Ethics Program-OIG Report No. 11-001
TO: Assistant Inspector General for Audits and Inspections

This responds to the draft report, dated September 3, 2010, regarding the OIG's review of the state of the agency's ethics program.

From the first notification that the OIG intended to conduct an ethics program review, we have consistently been of the view that this would ultimately be useful and lead to an improvement in GPO's ethics programs and policies. Obviously, we also welcome that the audit did not identify any instances of ethics violations or noncompliance. We fully intend to do our best to keep this as the status quo. As is reflected below, except for certain minor disagreements, we accept the OIG report and intend to follow up fully on its recommendations.

Recommendations:

1. The OIG recommends that the Public Printer reflect his commitment to a high ethical culture in a communication to all employees and that the agency institute ethics training for the entire workforce, and further, that a full-time ethics officer be designated.

Response: The Public Printer has directed the designated Ethics Officer, the undersigned, to devise a program whereby all GPO employees are regularly trained, exposed to and informed about ethics issues and concerns. In addition, the Public Printer will communicate directly with agency employees the value he as Public Printer personally places on maintaining an ethical culture at the agency in which it is understood that ethical conduct is an essential requirement for employment with the GPO.

Earlier this calendar year and well before receipt of the draft audit, the OGC had been in contact with the staff of what is now referred to as GPO University to construct a program of ethics training and advisory information on ethical matters that will be deployed to all employees. Though there is work yet to be done to finalize the details of the curriculum, the plan includes employee communications regarding ethics issues via the video monitor system which began in October, 2010, instructor lead training to begin in January 2011, and on-line programs to start in the spring of 2011.

It has been the case for the last several years that, as part of the on-boarding process, all new employees are briefed on and provided documents regarding the agency's standards of conduct, the Hatch Act, Prohibited Personnel Practices, the Whistleblower Protection

Act, and the operations of the Office of Inspector General, where they can file complaints of ethical violations. We plan to continue and enhance that program to include more focused information presented in an environment that will impress upon new employees the importance of an ethical culture at GPO. In addition, as the report recognizes, the OGC does regularly brief business units—particularly those with contracting responsibilities—on ethics issues. This effort also will continue.

For a variety of reasons, the recommendation that the Public Printer designate a full-time ethics officer will not be implemented at this time. We acknowledge that GAO has a full-time ethics officer, but GAO's mission and staff are very different from GPO, and the rationale for having a full time ethics officer may be driven by those facts. The Library of Congress, which the report cites as a comparator, does not have a full-time ethics officer. However, and again earlier this year before the draft report was issued, in an effort to add resources to the ethics function, OGC embarked on a process in which two senior attorneys within OGC are assigned on a regular basis to assist the Ethics Officer in responding to ethics inquiries and providing ethics advice. This we believe will provide adequate and complimentary support to the Ethics Officer while also providing redundancy in this subject area within OGC.

2. The OIG recommends that the ethics officer:

- a. develop ethics training that would be provided to all employees.

Response: See comments above regarding training that is in place currently and efforts to develop a training program through the GPO University that would be for all employees.

- b. update ethics directives.

Response: We agree and intend to have a revised draft to the unions for concurrence on or before January 15, 2011. We note that the Standards of Conduct Directive, though outdated in some respects, corresponds closely in many areas with OGE's regulations in effect for the executive branch. The provisions regarding what a GPO employee may accept from an outside or prohibited source are stricter than is the case in the executive branch.

- c. enhance recordkeeping of ethics advice provided.

Response: We agree and will develop filing and retention policies for ethics advice that is provided. (We are not aware of any instance in which ethics advice was rejected or not followed, but understand that it is preferred practice to have a cohesive record of the advice provided, for COOP and succession purposes.)

- d. develop standard operating procedures for routine ethics officer responsibilities.

Response: We agree and will develop SOP's for dealing with financial disclosure reports, which is a multi-step process. We concur that this should be documented for succession purposes. However, we do not see the efficacy of developing SOP's for responding to ad hoc ethics inquiries. This we believe is adequately addressed with an improved record of ethics advice, as noted in subparagraph c. above.

- e. develop training that would be provided to all employees.

Response: See comments above regarding efforts to develop a training program through the GPO University.

Other observations

1. Retention of Financial Disclosure Reports

Response: The audit report finds that OGC has retained copies of the financial disclosure reports beyond the time permitted by the statute and the agency's record retention schedule. While we have no philosophical objection to a program to dispose of older FD reports for employees below the senior level, we do not agree with the OIG's legal conclusions regarding the law's requirements or the GPO records retention schedule.

We recognize that there is a 6-year retention period for the FD reports filed by GPO's required filers, 5 U.S.C. App. 5, § 105(d), but this provision applies only to the Clerk of the House, and not to the other agencies which have been delegated by the House Committee on Standards of Official Conduct to review the reports. In our own informal survey, neither the Standards Committee, GAO, nor the Library of Congress believes that this retention limit applies to the copies in its possession. Indeed, the Standards Committee itself maintains FD reports on all current employees for as long as they are employed.

The records retention schedule indicates that files are to be destroyed once "inactive" or 6 years after the close of a file. Again, we do not read this to require the destruction schedule that the OIG finds is mandated, since the files are neither inactive nor closed.

This disagreement notwithstanding, we plan to destroy all copies of FD reports of employees who have retired more than 6 years ago. For current employees, with the exception of the Public Printer, the Deputy Public Printer, all SLS employees, and any other filer as to whom there is an ongoing investigation, we plan to destroy all FD reports older than 6 years. This destruction will be completed by December 15, 2010.

2. Outside reporting requirements

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We concur with the recommendation that employees be required to submit information about outside employment. We will draft a new Directive, with appropriate reporting procedures and forms.

Thank you for the courteous and professional approach that your auditors displayed during the course of this audit. We trust that our actions taken because of the audit recommendations lead to improved awareness of ethics principles throughout the workforce leading to a reduced likelihood there will be an ethical lapse in the future.


DREW SPALDING

Appendix D. Status of Recommendations

Recommendation No.	Resolved	Unresolved	Open/ECD*	Closed
1	X		May 2011	
2	X		May 2011	

*Estimated Completion Date.

Appendix E. Survey of GPO Workforce

To obtain the workforce's perspective on GPO's ethical climate and the effectiveness of the Agency's ethics program, we created an anonymous, Web-based survey that consisted of 15 questions in the following 4 areas:

1. Awareness and perceptions of GPO rules of ethical conduct and ethics program
2. Ethics training and education at GPO
3. Ethical climate at GPO
4. Respondent demographics

On May 19, 2010, the Employee Communications Office distributed the survey via email to all GPO employees, including those located in Washington, D.C., at the 15 Regional Print Procurement Offices, and at the secure passport production facility at the Stennis Space Center in Mississippi. Employees were asked to provide an electronic or hardcopy response by June 8, 2010. Of GPO's 2,298 full-time employees, 647 (or 28 percent) responded to the survey, which, according to the Director of the Employee Communications Office, is more than three times the usual response rate for Agency-wide surveys. Most of the respondents were nonsupervisors located at GPO Headquarters in Washington, D.C. and employed in the Plant Operations or Print Procurement business units. Respondents were able to skip questions and were asked to provide additional, optional comments¹⁰ at the end of each section of the survey. A summary of the responses we received is provided below:

¹⁰ We received 263 comments in response to our survey. However, due to their number, we did not include employee comments in this appendix.

GPO ETHICS SURVEY

All GPO employees are encouraged to take this voluntary survey. It takes about 10 minutes to complete and your responses are entirely anonymous.

The purpose of the survey is to hear your perspective on the ethical climate at GPO and the effectiveness of GPO's ethics program. Your input, plus the findings from an OIG evaluation of the program, will result in recommendations to improve the ethics program.

Part 1: Awareness and Perceptions of GPO Rules of Ethical Conduct and Ethics Program

1. In the past 2 years, have you sought ethics-related advice in connection with your work?

Yes	23.6%
No	76.4%

2. If you answered "no" to the first question, what was your primary reason?

Didn't have a question	63.4%
Confident in my own ability to address the issue	13.5%
Didn't know there was an ethics official	13.7%
It takes too long to get an answer	1.1%
Believed nothing would be done	7.1%
Afraid I'd get into trouble	1.3%

3. If you answered "yes" to the first question, but did not consult GPO's ethics officer, why not? (check all that apply)

Other knowledgeable individuals were available	54.1%
Didn't know there was an ethics officer	46.9%
Confident in my own ability to address the issue	16.3%
Did not believe the ethics officer had time for me	1.0%
It takes too long to get an answer	6.1%
No confidence I'd get good advice	16.3%
Believed nothing would be done	21.4%
Afraid I'd get into trouble	9.2%

4. From whom would you normally seek ethics-related advice? (check all that apply)

My supervisor	59.8%
GPO's ethics officer	23.1%
The Office of General Counsel (other than Agency ethics officer)	20.3%
A Human Capital Specialist	10.9%
A colleague	24.2%
An individual outside GPO	18.6%
Other	10.7%

Appendix E

5. Who is GPO's ethics officer?					
Director, Office of Equal Employment Opportunity					7.4%
Deputy Public Printer					0.2%
Director, Organizational Effectiveness Group					0.8%
Inspector General					4.0%
Chief Management Officer					1.1%
General Counsel					18.7%
Not Sure					67.9%
6. How familiar are you with ethics rules on the following topics?					
	Extremely	Very	Moderately	Slightly	Not at all
Accepting gifts from or giving gifts to other employees	24.7%	27.7%	23.0%	9.6%	14.9%
Accepting gifts from sources outside the Government	36.6%	26.8%	17.1%	7.2%	12.3%
Identifying and resolving financial conflicts of interest	19.8%	21.9%	28.4%	11.7%	18.1%
Participating in activities or employment outside of a Government job	21.8%	26.0%	26.2%	13.3%	12.7%
Personal use of Government property, time, resources, or position	32.5%	34.2%	20.5%	5.5%	7.2%
Looking for a job/leaving the Government	16.0%	21.0%	28.4%	13.3%	21.2%
The fourteen principles of ethical conduct for Federal employees	6.5%	11.0%	25.0%	19.6%	37.9%
How familiar are you with The Standards of Conduct For Government Printing Office Officers and Employees (GPO Instruction 655.3A)?	11.7%	17.8%	25.6%	19.7%	25.2%
7. Please provide any comments you may have related to employee's knowledge of GPO standards of conduct or the effectiveness of GPO's ethics program.					

Part 2: Ethics Training and Education at GPO

8. During the past 3 years, have you received ethics training or education at GPO?

Yes – Once, as part of my new employee orientation	15.6%
Yes – Once, but NOT as part of my new employee orientation	8.1%
Yes – Several times, but not every year	12.2%
Yes – Once each year	5.8%
Yes – More than once each year	2.9%
No – I have not received any ethics training or education in the past 3 years (skip to question 10)	23.2%
No – I have never received ethics training at GPO (skip to question 10)	32.2%

9. In general, how useful was the GPO ethics training you received in the past 3 years . . .

	Extremely	Very	Moderately	Slightly	Not at all
. . . in making you more aware of ethics?	15.2%	34.3%	28.7%	15.7%	6.1%
. . . in connection with your work?	12.7%	36.7%	28.8%	16.6%	5.2%
. . . in guiding your decisions and conduct?	17.8%	33.8%	26.7%	14.7%	7.1%

10. Please provide any comments you may have regarding ethics training at GPO.

Part 3: Ethical Climate at GPO

11. Please mark the response indicating your level of agreement or disagreement with each of the following statements based on your experiences, opinions, or perceptions. Note the “Not sure” option if you don’t have an opinion or related experience.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Not Sure
Supervisors in my work area usually pay attention to ethics	23.7%	44.3%	10.3%	8.9%	12.7%
Executives and senior managers at GPO regularly show they care about ethics	12.0%	34.1%	16.2%	10.2%	27.5%
If ethics concerns are reported to the Agency, action is taken to resolve them	7.8%	27.7%	10.6%	7.6%	46.3%

Appendix E

	Strongly Agree	Agree	Disagree	Strongly Disagree	Not Sure
Non-supervisory Employees who are caught violating ethics rules are disciplined	8.9%	30.4%	10.3%	7.4%	43.1%
Managers and executives who are caught violating ethics rules are disciplined	5.4%	20.4%	13.2%	12.6%	48.4%
When appropriate, supervisors in my work area include discussions of ethics when talking to their employees	9.4%	39.1%	16.4%	11.0%	24.0%
I would feel comfortable reporting ethics violations	19.9%	39.2%	12.2%	8.2%	20.5%

12. Please provide any comments you may have related to the ethical culture and climate at GPO. _____

Part 4: Respondent Demographics

The last part of the survey asks for information that will help us analyze survey results by large subgroups within GPO. For example, by business unit or geographic location.

13. In which business unit do you work?

Acquisitions	1.0%	Plant Operations	19.3%
Human Capital	5.3%	Operations Support	7.8%
Finance and Administration	7.6%	Library Services and Content Management	8.2%
Executive Offices	5.3%	Publication and Information Sales	6.4%
Information Technology and Systems	5.6%	Agency Accounts and Marketing	3.1%
Print Procurement	15.0%	Other	10.5%
Security and Intelligent Documents	4.7%		

14. Do you work at GPO's headquarters or in a field office?

Headquarters	83.2%
Field Office	16.8%

15. Do you hold a supervisory position?

Yes	22.4%
No	77.6%

Appendix F. Report Distribution

Government Printing Office

Public Printer

Deputy Public Printer

Acting Chief Management Officer

Acting General Counsel

Chief Financial Officer

Chief Human Capital Officer

Chief Information Officer

Chief Technology Officer

Director, Congressional Relations

Director, Security Services

Managing Director, Plant Operations

Managing Director, Security and Intelligent Documents

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