



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

December 18, 2013

The Honorable Thomas R. Carper
Chairman
Committee on Homeland Security and Governmental Affairs
United States Senate
340 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Carper:

As you are aware, the Stop Trading on Congressional Knowledge Act of 2012 (Pub. L. No. 112-105), requires each chamber of Congress and the U.S. Office of Government Ethics (OGE) to develop systems for electronic filing of public financial disclosure reports. With respect to the executive branch, section 11(b)(6) of the Act provides that the system may be implemented after January 1, 2014, if OGE, in consultation with the Clerk of the House of Representatives and the Secretary of the Senate, identifies the additional time needed for such implementation. Having consulted with the Clerk of the House of Representatives and the Secretary of the Senate, I am writing to notify you of the time needed for implementation of the executive branch system.

Consistent with the original wording of section 11(b)(1) of the Act that required OGE to develop this system "not later than 18 months after the date of enactment of th[e] Act," OGE anticipates that it will complete development, testing and full deployment of the executive branch system within 18 months from inception of the contract for development. For reasons explained more fully below, system development work under the contract did not begin until July 2013. This means that, while OGE will start phasing in groups of filers earlier in 2014, the system will be fully available to public filers at executive branch agencies by the end December 2014. Once completed, OGE anticipates that this system will advance OGE's goal of preventing conflicts of interest by improving both the quality of filers' submissions and the effectiveness of the review process. The completed system will guide filers through the financial disclosure process and will include a thoroughly tested, robust reviewer interface that will enable agency ethics officials to readily identify potential conflicts of interest.

Background on Funding, Contract Issuance and Performance

Congress appropriated funding for system development at the beginning of fiscal year 2013, but circumstances initially prevented OGE from accessing the funds. At the beginning of fiscal year 2013, \$5 million (reduced to \$4.74 million after rescission and sequestration) was approved to fund system development, but that approval was contained in a partial year continuing resolution (Pub. L. No. 112-175). The yearlong continuing resolution (Pub. L.

No. 113-6) was enacted at the end of March 2013. Because funding for this system amounted to more than a third of OGE's baseline budget, the Office of Management and Budget (OMB) approved OGE's apportionment request for the full amount of the anomaly after the enactment of the yearlong continuing resolution.

Following OMB's approval of the apportionment request in early April 2013 and the final legislative amendment of the Act on April 15, 2013, the U.S. Department of the Treasury issued OGE's warrant on April 26, 2013. Only after this funding was in place could the U.S. General Services Administration (GSA) undertake a contracting action on OGE's behalf. GSA awarded the contract on June 26, 2013, by placing a task order against an existing competitively procured federal purchase agreement. Development of the electronic filing system began soon thereafter with a contract kickoff meeting on July 11, 2013.

Notably, OGE made good use of the intervening time before award of the contract to progress toward development of an electronic filing system. During the period between the start of fiscal year 2013 and the July 2013 kickoff meeting, OGE completed significant preparatory activities that gave system developers a strong head start when development later commenced. For example, OGE engaged the foremost public financial disclosure experts in the executive branch to complete work on a wizard interface designed to increase the accuracy of financial disclosure submissions. To bolster the strength of this team, OGE recruited a leading financial disclosure expert to join OGE's staff. The team's work included collaborating with a professional User Experience design team; conducting meetings to collect information and input from filers, reviewers and outside assistants to filers; designing an electronic survey that OGE sent to public filers in the executive branch; and evaluating the more than 400 responses received from surveyed filers.

OGE also took several measures to reduce the risks inherent in a project of this magnitude and complexity. For example, OGE identified a secure platform with proven success in interfacing with the numerous executive branch agencies. This platform is part of the Budget Formulation and Execution Line of Business (BFELoB).¹ BFELoB operates the largest collaboration environment in the federal government, serving more than 94,000 registered users from over 150 agencies and components worldwide, including 750 legislative branch users and 3,500 non-federal users. By relying on existing federal services through BFELoB, OGE is leveraging executive branch-wide resources far exceeding its own limited information technology capabilities. Use of this approach is fully consistent with best practices outlined in the Federal Information Technology Shared Services Strategy, which advocates a "shared first" approach to implementing systems.² Use of this approach also addresses the scale of the

¹ BFELoB is a Presidential E-Government initiative that provides agencies with technological solutions and shared services for enhancing budgeting, analysis, data collection, tracking and secure collaboration. BFELoB's MAX.gov tools and capabilities have yielded millions of dollars in cost-avoidance through the use of open-standards applications and cross-agency collaboration capabilities, avoiding duplicative investments. More information about BFELoB is available at <https://bfelob.max.gov/>.

² That strategy, which holds that widespread adoption of IT shared services helps make the federal government leaner, more agile and more efficient, is available on the internet at the following publicly accessible address: http://www.whitehouse.gov/sites/default/files/omb/assets/egov_docs/shared_services_strategy.pdf.

executive branch system, which will need to be able to serve a population of approximately 28,000 public filers in over 130 separate federal agencies.

Additional measures to reduce project risk included increasing OGE's in-house expertise and coordinating with partners in the government. OGE increased its expertise by hiring two new staff members with significant experience in developing the most sophisticated existing electronic system for public financial disclosure currently in use by government agencies, the U.S. Department of the Army's system. OGE concurrently conducted outreach to executive branch agencies in order to seek input from key information technology sources and ethics officials. OGE also began an ongoing coordination effort with the legislative branch offices tasked with implementing parallel requirements for Congress. OGE evaluated all information gathered through these efforts and refined the design plan.

Since the award of the contract less than six months ago, OGE staff and the contractor have made significant progress toward development of the system. They have completed the logic for the wizard system, as well as the system framework, and are actively constructing the computer programming to implement the wizard components within a secure, web-based system. They have constructed several filer system components that ethics officials from executive branch agencies will begin testing in January 2014, and the testing will expand as additional system components are constructed. OGE has already convened a meeting of these ethics officials to brief them on the testing strategy. By summer 2014, OGE anticipates that a fully functional beta version of the system will be completed, after which agency ethics officials will begin end-to-end testing of the entire system.

Before the end of fiscal year 2014, OGE expects to begin rolling out the system for real-world use by select groups of users, such as Designated Agency Ethics Officials. The rollout will extend to other groups of users in phases, permitting OGE to improve the system based on the experience of each added group. OGE will make the system available to executive branch agencies and public filers in time for the next filing cycle, which begins on January 1, 2015, for calendar year 2014 financial disclosure reports.

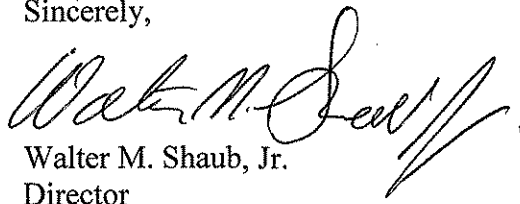
The completed executive branch electronic filing system will enhance OGE's mission in meaningful ways. This system will include innovative tools designed to increase transparency and improve substantive conflicts of interest analyses by making reports more accurate. By guiding filers, particularly new filers, through a series of questions regarding the types of financial information most often reported incorrectly in initial submissions, the system will seek to ensure that all required information is included in initial submissions before agency ethics officials even begin their reviews. Because agency ethics officials conduct conflicts of interest analyses for all reports under criminal conflicts of interest statutes applicable to the executive branch, including 18 U.S.C. § 208, the system will necessarily include comprehensive reviewer functionality. The design plan specifically provides for the system to permit side-by-side comparison of filers' previous and current reports. OGE intends to supplement this comparison review with a variety of flags and other notices alerting reviewers to any new, missing or potentially incorrect entries in reports. Thus, OGE expects that this wizard-guided approach will not only increase the accuracy of the reports, but also streamline the review process by eliminating much of the back-and-forth between filers and agency ethics officials. The system

also will strengthen OGE's oversight of agencies' ethics programs by giving OGE, for the first time, useful real-time information about the efforts of executive branch agencies to collect and review financial disclosure reports.

OGE will continue to be transparent about the development of this system. As discussed above, from the outset of this development project, OGE has actively communicated with the congressional ethics committees, the relevant appropriations committees, the relevant oversight committees, the Clerk of the House of Representatives, and the Secretary of the Senate, as well as with agency ethics officials and officials within the Administration. These efforts have included providing Chairman Ander Crenshaw of the House Appropriation Committee's Subcommittee on Financial Services and General Government with quarterly reports regarding OGE's expenditure of the \$4.74 million dollars that Congress appropriated for development of the system. In the months ahead, OGE will continue to collaborate, seek input and respond to requests for information about the development of this executive branch-wide system.

Thank you for the opportunity to brief you on OGE's progress on this important project. Please feel free to have your staff contact OGE's Program Counsel, Shelley K. Finlayson, at (202) 482-9314 if they have any questions or require any additional information.

Sincerely,



Walter M. Shaub, Jr.
Director

cc: The Honorable Tom Coburn
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate
344 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Tom Udall
Chairman
Subcommittee on Financial Services
and General Government
Committee on Appropriations
United States Senate
110 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Thomas R. Carper
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The Honorable Mike Johanns
Ranking Member
Subcommittee on Financial Services
and General Government
Committee on Appropriations
United States Senate
404 Russell Senate Office Building
Washington, D.C. 20510



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December 18, 2013

The Honorable Darrell Issa
Chairman
Committee on Oversight and Government Reform
United States House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

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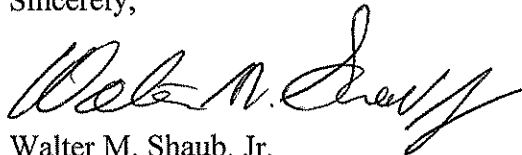
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Sincerely,



Walter M. Shaub, Jr.
Director

cc: The Honorable Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform
United States House of Representatives
2471 Rayburn House Office Building
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The Honorable Ander Crenshaw
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The Honorable Darrell Issa

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The Honorable José E. Serrano
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