

Questions and Responses Concerning OGE Travel Expenditures

1) Total agency annual budget?

Response: In FY2010, OGE was appropriated \$14,000,000.

2) Total travel budget?

Response: OGE spent less than half of 1% of its appropriation on unreimbursed travel during FY 2010 and did not make a separate allocation in its budget for travel.

3) Total amount actually paid for travel during most recent full (fiscal or calendar) year?

Response: In FY2010, OGE spent \$59,055.61 of its appropriation on travel that was not reimbursed. OGE initially incurred \$162,783.77 but, as discussed more fully below (see response to question # 16) OGE received \$103,728.16 from other government and non-government sources for travel on behalf of those entities.

4) Total amount of agency travel during most recent full (fiscal or calendar) year paid for by non-governmental entities?

Response: OGE received \$33,218.65 for agency travel in FY 2010 paid for by non-governmental entities. Most of OGE travel reimbursements came from other government sources, primarily through the State Department funding agreements. See the answer to # 16 below.

5) Number of employees?

Response: OGE has between 75 – 79 employees (this takes into account limited employee attrition during a calendar year).

6) Agency office locations in US?

Response: OGE has only one office location: 1201 New York Avenue, NW, Suite 500, Washington DC 20005-3917.

7) Agency office locations outside US?

Response: OGE has no office locations outside the United States.

8) Generally what does agency do, especially as it relates to need to travel?

Response: OGE's various functions are identified at:

http://www.usoge.gov/about/organization_functions.aspx.

In general, each of the functions that are identified on OGE's website involves some level of official travel being performed by OGE employees during the calendar year. Moreover, the following OGE activities would entail a more substantial amount of travel expenditures to support the performance of these OGE activities:

(a) *National Government Ethics Conference*: A large number of OGE staff assist in managing this conference event. Many employees serve as panel chairs, subject matter panel experts, or as speakers for this 2 ½ - 3 day long national ethics conference. The conference is held approximately every eighteen months for ethics officials government-wide. The last conference was held in Chicago, Illinois in May 2010 and before that, two conferences were held in Orlando, Florida. See the response to #14 below for more information about the Orlando trips.

(b) *International Ethics and Anti-Corruption Programs*: The Office of International Assistance and Governance Initiatives (OIAGI) coordinates the Office's support of U.S. efforts in promoting international ethics and anti-corruption and integrity initiatives. It also coordinates the Office's good governance initiatives. The foreign travel of OGE employees (as shown in your travel spreadsheet) was official travel undertaken in support of these U.S. foreign policy initiatives. See the response to #13 below for additional details about the international travel taken to support this OGE function.

(c) *Ethics Training and Ethics Program Reviews*:

(1) The Office of Agency Programs (OAP) is responsible for monitoring and providing services to Federal executive branch agency ethics programs. This Office has three divisions: Program Services, Education, and the Program Review Division. The three divisions coordinate their services to assist agencies in carrying out their ethics programs. Travel expenses are incurred in performing such OAP functions as conducting ethics program reviews of agency ethics programs. Some agencies and subcomponents of agencies that are reviewed are located outside the metropolitan Washington D.C. area. Moreover, OAP also conducts agency ethics training and smaller educational events on certain topic areas in various locations in the United States. These activities require official travel expenditures.

(2) The Office of General Counsel and Legal Policy (OGC) is responsible for establishing and maintaining a uniform legal framework of Government ethics for executive branch employees. OGC has also

incurred travel expenses associated with requests for ethics speakers and instructors to provide agencies and groups with specialized ethics training. Some of this training takes place outside of the Washington DC area.

(d) Employee Development: As part of OGE's human resources development efforts, OGE provides employees with the opportunity for professional development to improve work skills and abilities in areas related to their position at the agency. These professional development efforts involve Government travel expenditures especially for training that is conducted outside the DC metropolitan area.

9) Agency major subdivisions and their functions, especially as they relate to need to travel?

Response: See the response to # 8 above. Please feel free to contact Vince Salamone (OGE's Press Liaison) at 202-482-9274 if you need further clarification about any of OGE's functions or activities.

10) How much discretion do individual travelers have in purchasing tickets (i.e. price)? Under what circumstances can they opt out of using the GSA City Pairs program?

Response: The Federal Travel Regulations (FTR) requires that all Federal travelers must use the City Pairs Program (CPP) contract carrier for official travel, unless a valid exception applies. Commercial airfares can be highly volatile; therefore, an exception to the mandatory use requirement allows Government travelers to take advantage of any low commercial fare offered by non-contract carriers, if the fares are also offered to the general public. The General Services Administration (GSA) manages the airline City Pair Program (CPP) to provide discounted air transportation services for Federal travelers Government-wide. We believe that general questions concerning the "discretion" afforded to individual travelers under this program are best addressed by GSA (the program manager).

11) What types of travel other than travel by government employees do agencies have to report? Travel by a spouse? Cousin? Friend?

Response: In a discussion with OGE's Press Liaison, Vince Salamone, you withdrew this question.

12) Concerning Robert Cusick's September 2010 trip to Hong Kong?

a) Did the guest who accompanied Mr. Cusick on the trip benefit in any way from services, food or accommodations paid under 1353, and if so, is that reportable under 1353?

Response: The guest who accompanied Mr. Cusick on the trip rode in the same vehicle with Mr. Cusick to and from the airport and accompanied him, at the invitation of The Independent Commission Against Corruption in Hong Kong (ICAC), to one program dinner. To the extent that the transportation and dinner could be considered an indirect gift to Mr. Cusick, their value was well below that allowed under the Foreign Gifts Act and could be accepted by him.

b) Records indicate that Mr. Cusick stayed an additional 3 days in Hong Kong at his own expense. Correct?

Response: Yes.

c) Does 1353 allow trips financed by foreign governments?

Response: Yes. See the definition of “Non-Federal source” at 41 C.F.R. Part 304-2, section 304-2.1 which states that this term includes a “foreign, State, or local government . . . “

d) What was the total trip cost?

Response: The total cost of the trip was approximately \$10,810.10. The ICAC reimbursed OGE or provided in-kind services to OGE as follows: reimbursed plane ticket \$9,569.10; in-kind lodging valued at \$224 per night for three nights of the conference, and some in-kind meals and transportation to and from the airport in Hong Kong. (The \$335 per diem lodging that appears on the traveler authorization you received earlier was the maximum lodging cost allowable - if paid by OGE). Mr. Cusick did not request any reimbursement from the government for lodging. OGE was not reimbursed \$569.00 for some local transportation to and from the airport in Washington, that portion of the standard U.S. Government per diem for meals and incidentals not provided by the ICAC, and travel service fees.

13) Foreign trips made up about 45 percent of all OGE travel since 2006. (\$227,220 of \$616,220 total travel). OGE employees made more trips to France (SEE ATTACHED SPEADSHEETS) than to either California or Texas. At least 42 of the 50 most expensive trips since 2002 were to foreign countries, and locations were not identified for six of the remaining eight trips. Why so many foreign trips?

Response:

Notes: Please note that Amounts for each of the Trips on your spreadsheet that lists Traveler/Purpose/ City/ ST:CTY/ BEGIND/ENDD and AMOUNT are all, we believe, incorrect. In many cases we noted the amounts would be correct for other trips by other travelers, but not the

trips you have ascribed them to on your spreadsheet. Possibly there was an error in sorting the columns as your spreadsheet is still an alphabetical by traveler listing. As for the substance of your question, please also see the response to # 15 for a fuller discussion of the foreign travel including the number of trips.

Background

Assistance of Subject Matter Experts: As background, it is a very standard practice of the Department of State to seek the assistance of subject matter experts from other agencies in support of various foreign policy initiatives. Specifically for anti-corruption and good governance programs the authority is the International Anti-corruption and Good Governance Act of 2000, Pub. L 106-309. Understanding that the agencies where the expertise lies may not normally have an international mandate or the type of budget that would cover the necessary international travel, the Department of State enters into funding agreements with the experts' employing agency that will cover the travel and other program expenses (such as interpretation, document reproduction, etc.)

State Department Funding Agreements: Throughout the period covered by the travel records you received, OGE has had funding agreements with State Department's International Law Enforcement and Narcotics (INL) Bureau (which is responsible in part for foreign policy anti-corruption and crime portfolios). OGE staff members serve as subject matter experts with regard to programs that are designed to prevent corruption and promote good governance. This arrangement is discussed in OGE's performance report each year.

Travel Procedures for Funding Agreements: With regard to the procedures OGE follows pursuant to these agreements, the OGE traveler first secures a travel authorization from OGE, files his or her travel voucher with OGE when the travel is complete and is then reimbursed by OGE. The records provided to you show the OGE vouchered reimbursements to the traveler. After the travel is completed and the voucher paid, OGE seeks reimbursement from the appropriate State Department agreement at least once a quarter if not more frequently and the funds are transferred to OGE. Without confirming that the amount you have calculated for foreign travel is correct or for which trips, we can state that a very substantial portion of the amount spent by OGE to reimburse individual travelers for international travel was recouped through these agreements with the State Department. Additional reimbursements for international travel were accepted and reported under 1353 or reimbursements were accepted through the agency gift authority. In general the gift authority was used because OGE staff served as

evaluators under a mutual evaluation mechanism in which the United States is a member. See the discussion of GRECO in the answer to # 15. OGE's actual out-of-pocket expenses for foreign travel have, in fact, been limited.

Foreign Travel

Trips to France: As for the number of trips to France, you will see in the answer to # 15 that the Council of Europe's (and GRECO's) headquarters is in Strasbourg, France which was the destination for most of the trips to France. GRECO is a mutual evaluation mechanism of the Council of Europe and the United States is a member. Nominated by the US, OGE personnel serve as evaluators of other countries' corruption prevention and governance programs and this requires not only a trip to the country under evaluation but subsequently their attendance at GRECO plenary meetings when the reports of the countries for which they served as evaluators are discussed. (In order to discuss and adopt the evaluation reports in a timely fashion of the now 42 members, GRECO meets 4- 5 times a year.) In addition one OGE staff member also serves as the alternate US representative to GRECO and a member of the Working Party on the fourth round of evaluation which requires a trip to Strasbourg. All GRECO plenary meetings take place in Strasbourg, France. The remaining destination in France has been Paris to the headquarters of the Organization of Economic Cooperation and Development (OECD). For a number of years, OGE staff, at the request of the State Department, have represented the US as a member of the Integrity Expert Group and at events of the Public Governance Directorate of the OECD. These meetings are held at the conference center of the OECD and attendance at the meetings of these two international organizations account for the trips to France.

Lack of Locations: As for the lack of locations, GovTrip (the government travel management system OGE uses) provides a drop down menu for states/countries/cities in order to automatically calculate the allowed lodging and per diem costs for that location. If the actual location of the event is not in a city listed on the drop down menu, then there is an "other" category which automatically calculates the standard per diem for anywhere else in that state or country. Travel to a city not on the drop-down menu provided would account for the lack of a city location. See the example noted in the answer to question 15 for the multi-stop trip where the first destination was Nova Gorica, Slovenia. Since this city was not on the drop-down menu, the list will indicate "other destination, Slovenia."

14) Orlando (SEE ATTACHED SPEADSHEETS) was the city most often visited by OGE employees since 2006? Why?

Response: As reported in our budget documents, approximately every 18 months, the U.S. Office of Government Ethics hosts a national ethics conference for executive branch ethics officials. These conferences typically are attended by at least 600 ethics officials. Since 2006, two of the national conferences have been held in Orlando, Florida—one in March 2007 and one in September 2008. OGE uses its staff to administer the conference and provide the speakers for the majority of the conference sessions. OGE follows government-wide procurement policies in making the site selection for its national conference. Currently, the procurement is handled by the Bureau of the Public Debt.

15) About a quarter of all OGE travel spending since May 2002 (\$932,417) went to one employee: Jane Ley, who spent \$229,421, or about \$27,000 per year. Why?

Response:

Background -- Assistance of Subject Matter Experts: As noted in the answer to question 13, it is a very standard practice of the Department of State to seek the assistance of subject matter experts from other agencies in support of various foreign policy initiatives. Understanding that the agencies in which these individuals work may not have an international mandate or the type of budget that would cover the necessary international travel, the Department of State enters into funding agreements with the expert's employing agency that will cover the travel and other program expenses (such as interpretation, document reproduction, etc.) The Office of Government Ethics has had funding agreements with State Department's International Law Enforcement and Narcotics (INL) Bureau (responsible in part for foreign policy anti-corruption and crime portfolios) since at least 2002. This arrangement is discussed in OGE's performance report each year.

OGE Procedures -- Funding Agreement: With regard to the procedures OGE follows when using these funding agreements, Ms. Ley (as an example of the most frequent international traveler) first secures a travel authorization from OGE and upon return from the trip files her travel voucher with OGE. The records provided to you show the cost of the trip as shown on that voucher. However as a separate process, OGE then seeks reimbursement from the appropriate State Department fund at least once a quarter if not more frequently and the funds are restored to OGE.

Jane Ley's Official Travel: Specifically with regard to Ms. Ley's travel, Ms. Ley serves as the Deputy Director of this agency responsible for International Technical Assistance and Governance Initiatives. She has been with the agency since its creation and as such has a breadth of knowledge about OGE's programs as well as how its programs

complement the broader approaches employed by the US in the prevention of corruption. Ms. Ley has represented the US in a number of international venues over the years, so it would appear from the records you received that she has spent a substantial portion of OGE travel funds. In actuality, primarily because of the reimbursement to OGE through the State Department agreements, Ms. Ley's actual travel costs to the agency have been minimal. In 2010, for example, all of Ms. Ley's international travel was covered by the State Department agreements except for the trip to Podgorica where she served as a GRECO evaluator of Montenegro where GRECO provided travel expenses following its procedures. Consequently, almost all of expenses of that trip were ultimately paid by GRECO and accepted by OGE pursuant to its gift authority. Ms. Ley's only domestic travel was to New York City where the travel expenses were reimbursed to OGE by the UN and accepted pursuant to 1353, and to Chicago for the OGE conference where she helped host 7 international participants.

Frequency of Foreign Travel: For purposes of understanding the frequency of her foreign travel, Ms. Ley serves at the request of the State Department in the following capacities:

(1) Alternate US representative to the Group of States Against Corruption (GRECO) as well as a US nominated evaluator of other countries as a part of the GRECO mutual evaluation mechanism. GRECO meetings are held at the headquarters of the Council of Europe in Strasbourg, France. GRECO plenaries are held 4-5 times a year (although as alternate she does not attend all of the plenaries) and she has served as an evaluator of other countries at least once a year for a number of years. When Ms. Ley serves as the US representative at the plenary or as the expert member of the working group for the fourth evaluation round, Ms. Ley's expenses are reimbursed to OGE from the State Department agreements. For travel expenses incurred while serving as a GRECO evaluator, Ms. Ley (and Mr. Gangloff who also serves as an evaluator) are reimbursed by OGE then OGE accepts under its gift authority the travel expenses that are provided by GRECO to every member countries' evaluators following its reimbursement rules.

(2) US representative to the Integrity Expert Group for the Public Governance Directorate of the Organization of Economic Cooperation and Development. The OECD's headquarters are located in Paris, France and the Expert Group meetings are held there.

(3) US Delegate to the Council of States Parties to the UN Convention Against Corruption (UNCAC) (Bali and Doha).

(4) US Delegate to the meetings of the Implementation Review Group for the UNCAC and US evaluator in the pilot review program. (The IRG meets at the UNODC headquarters in Vienna and there was a site visit to Buenos Aires when the US served as one of two evaluators of Argentina for the UNCAC pilot review program.)

(5) US Delegate to the meetings of the Working Group on Prevention for the UNCAC. (Meetings are at UNODC headquarters in Vienna.)

(6) US Delegate to the Anti-Corruption and Transparency Task Force of the Asia-Pacific Economic Communities (APEC). (Australia 2007, Peru 2008, Singapore 2009, Japan 2010)

(7) US member of the Anti-Corruption Working Group of the US-China Joint Liaison Group. (China)

Other International Events & Activities: In addition, over the period since 2002, at the request of and always with the prior approval of the State Department, Ms. Ley has participated in international events as a speaker about Corruption Prevention programs including specifically those of US Office of Government Ethics. Often times Ms. Ley may engage in these activities as a part of another trip but the travel voucher list from which you are working will be titled with only the first stop on the trip. For example, in November 2009, Ms. Ley spoke at the annual conference of the European Partners Against Corruption which was being held in Nova Gorica, Slovenia. This event occurred immediately before the 3rd meeting of the Council of States Parties Meeting of the UNCAC in Doha, Qatar to which Ms. Ley was one of the US delegates. The timing and location of both events allowed Ms. Ley to speak at the conference and then to continue on to the COSP. Because the drop-down menu on GovTrip did not list Nova Gorica, the voucher is entitled [other] Slovenia, the first stop. In actuality, the bulk of the time spent on this trip was in Doha which was the second stop.

16) OGE has increased its travel spending, from \$79,950 in fiscal year 2003 to \$172,852 in 2010, which saw an increase of \$52,000 from 2009.

Response: The single largest component of OGE travel expenses in a given fiscal year is for international travel in conjunction with the State Department by OGE employees in the Office of International Assistance and Government Initiatives. The second largest component of OGE travel expenses in a given fiscal year is for travel expenditures associated with our national ethics conference which is held approximately every 18 months. This amount is variable because we did not, for example, hold a national ethics conference in FY 2006 or FY 2009. (Our last two conferences were held in September 2008 and May 2010.) The smallest and most stable portion of OGE travel expenditures in

a given fiscal year are associated with other core mission areas of our agency such as; training, program review, as well as other teaching and speaking outreach by our employees.

According to records maintained by the Bureau of Public Debt, which provides accounting functions for OGE, during FY 2010, OGE had total expenditures for travel of \$162,783.77. Of that amount, OGE was reimbursed \$103,728.16 from government and non-government sources. OGE spent \$59,055.61 for travel in FY 2010 that was not reimbursed. See response to question 3. With regard to the other fiscal years about which you inquire, Bureau of Public Debt records show OGE spent the following amounts for travel that were not reimbursed: FY 2006: \$90,923.15; FY 2007: \$71,438.93; FY 2008: \$49,864.64; FY 2009: \$66,209.62; FY 2010: \$59,055.61.