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REPORT BY THE

Comptroller General

OF THE UNITED STATES

The District Of Columbia Government Should Establish A Separate Office Of Ethics

The financial disclosure systems for District of Columbia Government employees are administered by two offices--the District Board of Elections and Ethics and the District Personnel Office. However, their administration and enforcement of these systems have been minimal due to higher priorities and understaffing.

Under the Board's system the financial disclosure statements are not reviewed for conflicts of interest, and until recently many employees were required to file disclosure statements with the Board and with their department.

Recent legislation may remedy some but not all of the deficiencies.

GAO recommends that the District consolidate responsibility for administering and enforcing the systems in a separate Office of Ethics to more effectively prevent conflicts of interest.



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FPCD-79-65
AUGUST 16, 1979



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-118638

The Honorable Marion S. Barry
Mayor of the District of Columbia
Washington, D.C. 20004

Dear Mayor Barry:

This report discusses the financial disclosure systems established for officials and employees of the District of Columbia government and the need to establish a separate Office of Ethics to administer and enforce these systems. We have discussed the information in this report with representatives of the Departments of Human Resources, General Services, and Housing and Community Development; the District Personnel Office; and the Office of the Corporation Counsel.

Our recommendations to you are on page 15. As you know, section 736 of the District of Columbia Self-Government and Governmental Reorganization Act of December 24, 1973, requires that within 90 days after receipt of our report, the Mayor shall state in writing to the Council of the District of Columbia, with a copy to the Congress, what has been done to comply with the recommendations in the report.

We are sending copies of the report to the House Committee on the District of Columbia, the Senate Committee on Governmental Affairs, the House and Senate Committees on Appropriations, and the District of Columbia City Council.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Thomas A. Anastos".

Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE MAYOR
DISTRICT OF COLUMBIA GOVERNMENT

THE DISTRICT OF
COLUMBIA GOVERNMENT
SHOULD ESTABLISH A
SEPARATE OFFICE OF
ETHICS

D I G E S T

The District of Columbia government should consolidate the administration and enforcement of its financial disclosure and ethics systems into a separate District Office of Ethics. The present systems are administered by two offices--the District Board of Elections and Ethics and the District Personnel Office.

This arrangement does not effectively prevent conflicts of interest. Neither office is adequately staffed, and other responsibilities continually take priority over financial disclosure matters. (See p. 14.)

As manager of the Nation's capital with a budget of \$1.3 billion, the District of Columbia government provides services in such areas as housing, transportation, economic development, public safety, and human welfare. Because of the variety of services provided, the District government's financial disclosure systems must insure that personal financial interests of its employees do not conflict with their official duties.

The District Board of Elections and Ethics administers the financial disclosure system for high-level District officials and certain employees as required by the District Code 1-1182. But because the Board is understaffed and gives priority to District elections, it has not been able to determine whether all the required statements have been filed for past years.

After giving this report to the District Office of Corporation Counsel for comments,

(FPCD-79-65)

it stated that some of the problems in the Board's system were corrected by emergency legislation on June 8, 1979. The provisions of this law must be put in permanent legislation before the emergency legislation expires on September 6, 1979.

Financial disclosure statements required to be filed as of May 15, 1979, were not collected this year because of confusion over recent amendments to District Code 1-1182, the relocation of the Office of Campaign Finance, and the task of administering elections. The emergency legislation reset the filing date for this year to October 15. (See p. 5.)

District Code 1-1182, as amended, had required that financial disclosure statements filed annually with the Board were to be filed in sealed envelopes; therefore, they were not reviewed to detect possible conflicts of interest. This restriction was removed by the emergency legislation with the intent to make the disclosure statements available to the public. (See p. 5.)

The District Office of Personnel administers financial disclosure systems for District agencies, but due to a shortage of staff it has not monitored the systems for many years. GAO found that

--statements were not filed, were filed late, or were inadequately completed;

--not all employees in sensitive positions were required to file statements; and

--statements were not adequately reviewed, and criteria did not exist for determining conflicts of interest. (See p. 8.)

GAO also found instances where agency officials should have questioned information disclosed on the statements in the Department of Human Resources.

Many employees were required to file separate disclosure statements both with their agency and with the Board of Elections and Ethics. The emergency legislation eliminated this duplication.

The District of Columbia Comprehensive Merit Personnel Act of 1978 has provisions to improve financial disclosure systems in District agencies. Yet these provisions are not tied together in a comprehensive system with strong administration and enforcement. (See p. 14.)

The Mayor should establish a District of Columbia Office of Ethics authorized to administer and enforce financial disclosure and ethical standards. The Office of the Corporation Counsel agreed that a separate Office of Ethics should be established. (See p. 15.)

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CHAPTER 1

INTRODUCTION

The District of Columbia is a unique local government which carries out services normally provided by city, county, and State governments. It is headed by an elected Mayor and a 13-member City Council. Its fiscal year 1979 appropriated budget is \$1.3 billion, and it employs about 47,000 people.

As the Nation's capital, the District is under the scrutiny of the public at all times. Its officials are in positions of public trust, providing services in such areas as housing, transportation, economic development, public safety, and human welfare. Because of the importance of their duties, city officials must maintain the highest standards of conduct. One way of enforcing standards of conduct is through the disclosure of personal financial interests so potential conflicts of interest may be prevented. This report discusses the financial disclosure systems in effect for District employees.

Two major financial disclosure systems are in effect for the District: the first system was established by law for high-level officials, and the second system was established by the Board of Commissioners for agency employees. Both systems have recently been amended by legislation.

DISCLOSURE SYSTEM FOR HIGH-LEVEL OFFICIALS

District Code 1-1182, as amended, requires the following employees to file financial disclosure statements with the Board of Elections and Ethics:

--Candidates for public office.

--The city administrator, general counsel to the Board of Elections and Ethics, Director of Campaign Finance, people's counsel, auditor, and each member of a board or commission who makes field decisions.

Recent amendments to the Code in March and June 1979 eliminated the filing requirement for thousands of city employees in grades GS-13 and above and employees involved in certain decisionmaking activities. However, these employees are still required to file statements with their employing agency.

Those required to file must report annually by May
15: 1/

- The name of each entity transacting any business with the District government in which the person or his or her spouse (1) has a beneficial interest exceeding a total of \$1,000 (\$5,000 if corporate stocks), (2) earns income for services which exceeds \$1,000, or (3) serves as an officer, director, partner, employee, or in any other fiduciary capacity.
- Outstanding individual liability exceeding \$1,000 from anyone other than a Federal or State insured or regulated financial institution or a member of the person's immediate family.
- All real property in the District whose fair market value exceeds \$5,000 (except for a personal residence).
- All professional or occupational licenses issued by the District government held by such persons.
- All gifts received in an aggregate value of \$100 in a calendar year by such person from any entity transacting any business with the government.
- An affidavit stating that the person has not caused title to property to be placed with another person or entity for purposes of avoiding disclosure requirements.

These reports were previously filed in sealed envelopes and could be opened only after a majority vote of the Board. This restriction, however, was removed by recent emergency legislation (District Act EA 3-52), the intent of which appears to be that the reports are to be available to the public.

DISTRICT AGENCY DISCLOSURE SYSTEM

To insure that District government functions are being carried out fairly, the District Office of Personnel issued chapter 10 of the District Government Personnel Manual

1/Emergency legislation has extended the filing date for this year to October 15.

entitled "Conduct and Conditions of Employment." The chapter outlines District policies concerning employee conduct, acceptance of gifts, financial interests, outside employment, and political activities. The chapter also has requirements for filing financial disclosure statements, replacing an earlier disclosure system of the 1960s.

Employees in the following positions are now required to file:

--GS-13s or above who report directly to the Mayor.

--GS-13s or above who render a decision or take official action concerning (1) contracting or procurement, (2) administering or monitoring grants and subsidies, (3) regulating or auditing private programs, or (4) other activities significantly affecting financial interests of nongovernmental activities.

--GS-13s or above whose duties require the filing of a disclosure statement to prevent a possible conflict of interest.

--GS-12s and below who because of their duties are required by the head of the agency, with the approval of the Director of the District Office of Personnel, to file a disclosure statement.

The financial disclosure statement (Confidential Statement of Employment and Financial Interests) requires employees to disclose

--all paid or unpaid outside employment;

--private business interests including stocks, bonds, commodities or real estate holdings held by the employee, spouse, or their dependents; and

--business organizations in which the employee is an officer, director, trustee, agent, or employee, whether compensated or not.

Employees must also (1) certify that to the best of their knowledge they have no outside employment or other business interests which are prohibited and (2) submit statements annually to the agency by June 30 to be reviewed and then maintained in strictest confidence.

On October 31, 1978, the City Council passed the District of Columbia Government Comprehensive Merit Personnel

Act of 1978 which became effective March 3, 1979 (District Law 2-139). The act is designed to establish a uniform merit system for District personnel and also includes conflict-of-interest provisions. (See p. 12.) Implementing regulations are now being drafted.

SCOPE OF REVIEW

We reviewed the financial disclosure systems of the District of Columbia government at the District Board of Elections and Ethics; the District Personnel Office; and the Departments of Human Resources, General Services, and Housing and Community Development. We assessed the adequacy and effectiveness of financial disclosure regulations and the agencies' implementation of them.

In the Departments of Human Resources, General Services, and Housing and Community Development, we reviewed the responsibility of certain positions, whose incumbents are not required to file, to determine if they should. We also reviewed certain financial disclosure statements to determine the adequacy of the agencies' review criteria and procedures. We maintained the statements' confidentiality at all times.

CHAPTER 2

WEAKNESSES IN THE FINANCIAL DISCLOSURE

SYSTEM FOR HIGH-LEVEL DISTRICT OFFICIALS

The financial disclosure system for high-level officials is operated by the Board of Elections and Ethics. At the time of our review, statements were filed in sealed envelopes and were not available for our inspection. However, in reviewing the laws, systems, and procedures, we noted certain problems. For example:

- District Code 1-1182, as amended, does not require financial disclosure statements to be reviewed.
- Agencies do not update the lists of employees required to file statements.
- Many employees were required to file statements both under this system and under the Office of Personnel's system.
- The Board of Elections and Ethics is understaffed and cannot effectively administer the system, even to determine if all required employees are filing statements.

Also, the Acting Director of the Office of Campaign Finance told us financial disclosure statements were not collected by the May 15 filing date because certain provisions in the revised law are confusing, names of officials required to file have not been published in the District register, and the Office of Campaign Finance is relocating. Recent emergency legislation extended the filing date for this year to October 15, 1979.

NO REVIEW OF FINANCIAL DISCLOSURE STATEMENTS

Public Law 95-376 required, in past years, that financial disclosure statements be filed in sealed envelopes. The statements could only be opened after a majority vote of the Board. This restriction effectively precluded any review of the statements for conflicts of interest. However, the recent emergency legislation removed this restriction, and the intent appears to be to make the statements available to the public.

Inspection of the statements by the public, the news media, and public interest groups is a useful tool to

promote integrity in government, but it does not replace a sound review process. Such a review is extremely important if potential conflicts of interest are to be identified and resolved. Statements must be reviewed by personnel who have detailed knowledge of employees' duties, have access to reference manuals and other information, and are aware of the many types of situations which could create a conflict of interest or the appearance of such.

AGENCIES DID NOT UPDATE LISTS

The Board must rely on individual agencies to provide lists of officials required to file financial disclosure statements. The agencies were required to update these lists annually as new positions were created, existing positions abolished, and as employees were hired or resigned. Without such lists it was impossible for the Board to determine whether officials required to file were doing so.

The Board informed us that most agencies did not send in updated lists and that it has never had accurate lists. The Board estimates that about 4,000 officials should have been filing, but it had no way of accurately checking to insure that all those required had filed.

MANY EMPLOYEES FILED STATEMENTS UNDER TWO SYSTEMS

Until recently, the system operated by the Board and the agencies' system operated by the Office of Personnel had filing criteria which overlapped and forced many employees to file under both systems. Each system required statements to be filed by employees at the GS-13 level who perform duties relating to contracting, procurement, administration of grants and subsidies, and regulating and auditing. Each system also required that employees below the GS-13 level file statements if their agency head believes their duties may cause a conflict of interest.

In two agencies we visited--the Department of General Services and the Department of Housing and Community Development--a total of 537 employees were designated to file under both systems, each requiring a different form. The statements filed with the Board were to be in sealed envelopes, but the statements filed with the agencies were to be reviewed for conflicts of interest and then kept confidential.

The recently enacted emergency legislation, by eliminating the requirement that employees involved in certain

activities such as contracting, licensing, and regulating must file disclosure statements with the Board, will eliminate this duplication.

LACK OF STAFF PREVENTS
EFFECTIVE ADMINISTRATION

The Office of the Director of Campaign Finance within the Board is responsible for the financial disclosure system. However, the Office is also responsible for

- registering political committees and candidates,
- enforcing candidates' reporting requirements,
- obtaining reports from campaign contributors and lobbyists, and
- making campaign reports available for public inspection.

The Acting Director told us that, with a limited staff of six persons, the Office has very little time to administer the financial disclosure system. For example, in May 1978 when statements for 1978 were due, the Office was still trying to determine who had not filed statements for 1977. This effort was further hampered by the workload required to administer elections held in 1978.

CONCLUSIONS

The financial disclosure system for high-level District officials was inadequate in past years because of legal restrictions which prevented a review of the statements for potential conflicts of interest. The changes made in the Board's system by the emergency legislation will allow the statements to be reviewed and will eliminate duplicate filings by employees.

CHAPTER 3

AGENCY FINANCIAL DISCLOSURE SYSTEMS

ARE NOT EFFECTIVE

To protect against conflicts of interest, the District government established a financial disclosure system for employees in agencies under the Mayor's administration. The regulations are in chapter 10 of the Personnel Manual and are to be enforced by agency personnel offices. This system requires approximately 1,600 employees to annually file financial disclosure statements.

We examined the operation of this system in three departments--the Department of Human Resources, General Services, and Housing and Community Development. Our reviews showed that these departments' financial disclosure systems do not assure that conflicts of interest will be detected and resolved. Major problems exist which must be remedied:

- Financial disclosure statements are inadequately reviewed.
- Not all employees in sensitive positions are required to file statements.
- Statements were not filed, were filed late, or were inadequately completed.
- The Office of Personnel does not effectively monitor the disclosure systems.

Recently, the City Council passed and the Congress approved the District of Columbia Government Comprehensive Merit Personnel Act of 1978. Title 18 of this act sets new requirements on standards of conduct and could, if properly implemented, help resolve some of the problems we noted.

INADEQUATE REVIEW PROCEDURES

The proper review of financial disclosure statements is just as important for agency employees as it is for high-level officials if potential conflicts of interest are to be identified and resolved. Statements must be reviewed by personnel who have detailed knowledge of employees' duties, have access to reference manuals and other information, and are aware of the many types of situations which could create a conflict of interest or the appearance of such. It is

also important that criteria be established on what, specifically, creates a conflict of interest.

Department officials responsible for reviewing disclosure statements had very limited knowledge of employees' specific responsibilities. In two of the three departments, an official in the Office of Personnel was responsible for reviewing the statements and therefore was not totally aware of employees' daily responsibilities. None of the departments had developed specific criteria on what constitutes a conflict of interest. The only criteria available is in the Personnel Manual and generally describes the types of outside relationships that should be prohibited.

In attempting to review statements for 1977, we found that:

- The Department of Housing and Community Development destroyed its financial disclosure statements after 1 year to increase cabinet space and guard against invasion of privacy.
- The Department of General Services, where managers are required to review statements submitted by subordinates, had no apparent conflicts of interest.
- The Department of Human Resources' review of statements consisted only of a clerical check and was not geared to identify potential conflicts of interest. Also, the reviewing official said he did not know enough about employee responsibilities to identify a potential conflict and was not sure what steps could be taken if one was identified.

The Personnel Manual prohibits employees from maintaining any financial or economic interest in or serving (with or without compensation) as an officer or director of an outside firm if there is any likelihood that the firm may be involved in an official government action or decision rendered by the employee. In reviewing statements for employees of the Department of Human Resources, we noted several cases that should have been questioned:

- A GS-13 supervisory mental health specialist, responsible for developing and implementing clinical and community health services in the District, was also an uncompensated member of the board of directors of a private clinic that contracts with the Department to provide mental health services.

--A GS-15 community services officer is the president of the board of directors of a private firm that contracts with his office in the Department.

--A GS-13 in the microbiology division also works part-time as a supervisor of microbiology for a private clinical laboratory which contracts with the District government for laboratory services.

We did not determine whether any of these situations or other similar situations constituted an actual conflict of interest. However, we did bring the above cases to the attention of Department officials for appropriate action if the employees were still involved in such activities. We believe that the issues raised by these cases, and the fact that the Department did not question them, raise serious doubts about the effectiveness of the review process. Conflicts of interest could easily occur with such lax review procedures.

OTHER EMPLOYEES IN SENSITIVE
POSITIONS SHOULD FILE STATEMENTS

We analyzed position descriptions for selected employees in the Departments of Human Resources, Housing and Community Development, and General Services who were not required to file. We found that 121 employees, including 85 below the GS-13 level, should have been required to file on the basis of their position descriptions.

	<u>Position descriptions analyzed</u>	<u>Positions whose incumbents should file</u>	<u>Incumbents who should file</u>
Human Resources	46	29	29
General Services	21	10	20
Housing and Com- munity Develop- ment	<u>92</u>	<u>67</u>	<u>72</u>
Total	<u>159</u>	<u>106</u>	<u>121</u>

These employees performed duties which in our opinion would make them particularly sensitive to a potential conflict of interest. For example:

--A GS-17 deputy director in the Department of Housing and Community Development who has broad responsibility

for housing and community development policy, plans and programs, and developing policies relative to land acquisition and disposition.

--A GS-11 procurement officer in Human Resources who is chief of the purchasing branch which procures supplies, equipment, and services for the Department.

--A GS-15 social science program specialist in Human Resources who is responsible for reviewing and evaluating the licensing of child-placement agencies, maternity homes, and nursing homes; and negotiating contracts involving these services.

Other employees that should have been required to file included several GS-15 medical officers, a GS-13 financial management advisor, a GS-12 health services evaluator, a GS-12 contract specialist, a GS-14 supervisory engineer, and a GS-14 urban planner.

Agencies do not adequately enforce disclosure provisions

We found indications that agencies were not adequately enforcing the Personnel Manual's financial disclosure requirements. In many cases employees did not adequately complete statements, filed them late, or refused to file.

Many statements filed in 1977 were not completed properly, were illegible, or had inadequate responses such as the following:

--"Nominal holdings without any conflict of interest."

--"None connected with the D.C. government."

--"Stock in various corporations."

--"Employee is not in an administrative position."

Two departments were not requiring statements to be submitted on time: Human Resources' statements filed for 1977 averaged 57 days late, and General Services' statements averaged 132 days late.

Although statements of the Department of Housing and Community Development had been destroyed, we did learn that 51 employees refused to file in 1977, and the Department took no action to enforce the requirement. These employees represent about 12 percent of the Department's employees

required to file and many of them are particularly susceptible to potential conflicts of interest, such as:

- A GS-15 director of rehabilitation responsible for obtaining commitments from banks and savings and loan associations to provide capital for low and moderate income housing and for advising the District on matters involving private developers.
- A GS-14 urban planner responsible for slum clearance, urban renewal projects, and the disposition of land for redevelopment.
- A GS-10 construction inspector responsible for enforcing the building code through inspections of homes, office buildings, retail establishments, etc.

In addition eight employees in the Department of Human Resources were designated to file because they influence expenditures of funds through policy formulation. They refused to file, and the Department took no action to enforce the requirement.

POTENTIAL IMPACT OF THE COMPREHENSIVE
MERIT PERSONNEL ACT

The Comprehensive Merit Personnel Act of 1978 (District Law 2-139) was effective on March 3, 1979. Title 18 of the act is designed to improve standards of conduct by

- restating financial disclosure requirements for certain employees,
- requiring the Mayor to issue regulations governing the ethical conduct of all District employees,
- prohibiting outside activities or financial interests that would conflict or appear to conflict with an employee's duties,
- requiring each agency head to appoint an ethics counselor who will be adequately trained for agency duties and requiring the Mayor to appoint an ethics counselor for the entire government,
- establishing an advisory opinion system to render rulings concerning potential conflicts of interest, and
- stating that the Mayor will provide for annual audit of all reports filed under this law.

Regulations to implement the act are currently being drafted.

DISCLOSURE SYSTEM NEEDS SUPERVISION

District government agencies operate their financial disclosure reviews independently. Although financial disclosure regulations are in chapter 10 of the Personnel Manual, the Office of Personnel does not enforce the system. It does not assure that agencies are complying with the regulations.

Officials in the Office of Personnel stated that, at one time, evaluation teams reviewed the system. However, in the last few years, because of limited staff, agency systems have not been evaluated. The only financial disclosure activity the Office does is review agencies' lists of those employees required to file.

Unless the District government monitors and enforces the disclosure system for agency employees, the problems will continue.

CONCLUSIONS

The financial disclosure system for agency employees needs many improvements. The Merit Personnel Act could be a vehicle for many of these improvements if properly implemented.

Agencies' reviews of financial disclosure statements have been lax or nonexistent. No written procedures exist for reviewing statements or determining what constitutes an apparent conflict of interest. Many employees not required to file should be required to file on the basis of their responsibilities. Some statements were not filed, some were filed late, and others were not properly completed.

Many of the above problems might have been avoided had the Office of Personnel played a stronger role in supervising the disclosure system. In implementing the District Comprehensive Merit Personnel Act, which requires the appointment of trained ethics counselors and an ethics counselor for the entire District government, strong central supervision will be needed if the system is to be effective.

CHAPTER 4

A SEPARATE OFFICE OF ETHICS IS NEEDED

Administration and enforcement of financial disclosure systems and ethics regulations in the District government need to be consolidated into one central agency. The patchwork of laws, regulations, and policies with the lack of enforcement and inconsistencies should not be allowed to continue. The present systems are haphazard at best, and the two central offices responsible for administering them are understaffed and have other conflicting duties.

In the past few years various pieces of District legislation, intended to improve the systems, created only more confusion because of poor draftsmanship, the lack of specificity, and a general lack of understanding on how an effective system should operate. For example:

- Part of the intent of the Full Political Participation Act of 1978 was to reduce the number of financial disclosure statements filed with the Board and to require public disclosure of all statements filed. Yet poor drafting of the bill resulted in the same number of people being required to file and confusion as to whether the statements are to be public or confidential. Because of this, emergency legislation was required.
- Because of the confusion surrounding the Full Political Participation Act, the lack of staffing in the Office of Campaign Finance, and the physical relocation of the Office, financial disclosure statements for 1979 were not collected this year on May 15.
- The Comprehensive Merit Personnel Act of 1978 has established many elements of a good financial disclosure system, such as an advisory system, training for agency ethics counselors, an ethics counselor for the District, and annual auditing of all reports.

Yet, it does not specify

- who is to run the advisory system and how it should operate;
- who is responsible for training agency ethics counselors;

- the duties of the District government ethics counselor, the agency in which he or she will be located, and his or her relationship to agency counselors; and
- who is responsible for annually auditing the reports.

CONCLUSIONS

Because of the work that needs to be done to improve each system, a better system of financial disclosure and ethics could be achieved by centralizing administration of the systems into an Office of Ethics. This Office would be solely responsible for (1) administering and enforcing all District government financial disclosure systems, (2) setting and enforcing standards of conduct, (3) rendering advisory opinions, and (4) providing for the annual auditing of all financial disclosure statements. This Office should work toward setting appropriate levels of disclosure, both public and confidential, as needed for various employees in the District government.

The success of such an Office will depend to a great degree on the cooperation of the Mayor and the City Council to insure that legislation is well developed and properly drafted and that the Office is adequately staffed. Many elements of the Ethics in Government Act of 1978 (Public Law 95-521), which established public disclosure systems in the Federal Government and created an Office of Government Ethics in the executive branch, could be used as a model for developing the new Office of Ethics.

RECOMMENDATIONS

To establish effective financial disclosure systems in the District of Columbia government we recommend that the Mayor establish a District of Columbia Office of Ethics with strong administrative and enforcement authority. All duties currently held by the Board of Elections and Ethics and the Office of Personnel should be transferred to the new Office of Ethics.

This new Office should be adequately staffed and charged with the primary tasks of developing sound financial disclosure systems and making legislative recommendations for enacting the system's requirements into law.

In developing the systems, procedures, and comprehensive financial disclosure legislation, the new Office should:

- Develop financial disclosure forms to obtain all information needed to detect potential conflicts of interest, taking into account the unique information needs of agencies with different responsibilities.
- Require high-level officials to file public financial disclosure statements with the new Office and require other officials to file confidential financial disclosure statements with their employing agency.
- Establish specific procedures to insure that all statements are properly and promptly filed and completed and that the Office and agencies maintain current lists of positions whose incumbents are required to file.
- Establish specific criteria for reviewing financial disclosure statements and detecting potential or actual conflicts of interest and ethical standards.
- Establish a formal advisory service to render opinions on matters of financial disclosure and ethical conduct.
- Provide continuous information on ethical matters for District officials.
- Periodically audit agencies' financial disclosure systems to determine if they comply with regulations, and if their disclosure systems need improvement.
- Report annually to the Mayor and the City Council on the effectiveness of the financial disclosure systems and ethics regulations and recommend any necessary changes.

AGENCY COMMENTS

Officials of the Office of Corporation Counsel generally agreed with the contents of our report and our recommendation that a separate Office of Ethics be established. However, they stated that on June 8, 1979, the Mayor had signed emergency legislation (District Act EA 3-52) which revised some of the financial disclosure laws administered by the Board of Elections and Ethics. The emergency legislation expires on September 6, 1979, but they expect to make its provisions permanent in the near future.

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