

2025 USDA EXPLANATORY NOTES – OFFICE OF ETHICS

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PREFACE

This publication summarizes the fiscal year (FY) 2025 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2025 Budget, unless otherwise noted. All references to years refer to fiscal year, except where specifically noted. The budgetary tables throughout this document show actual amounts for 2022 and 2023, annualized Continuing Resolution levels for 2024, and the President’s Budget request for 2025. Amounts for 2024 estimated levels include: non-enacted amounts such as Full-Time Equivalent levels, fleet levels, information technology investment levels, recovery levels, transfers in and out, balances available end of year, and obligation levels.

Throughout this publication, the “2018 Farm Bill” is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill are funded through 2023. Amounts shown in 2024 and 2025 for most Farm Bill programs reflect those confirmed in the baseline.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2022, 2023, 2024 and 2025.

In tables throughout this document, amounts equal to zero (0) are displayed as dashes (-). Amounts less than 0.5 and greater than zero are rounded and shown as a zero (0). This display treatment is used to prevent the masking of non-zero amounts that do not round up to one (1).

AGENCY-WIDE**PURPOSE STATEMENT**

The Ethics in Government Act, 5 U.S.C. App 4 (the Act), established the ethics compliance requirements and infrastructure applicable throughout the Executive Branch. Under regulations implementing the Act, the head of each Executive Branch Department or Agency must exercise personal leadership in establishing, maintaining, and carrying out the agency’s ethics program and make available sufficient resources to ensure the agency’s ethics program can be implemented effectively (5 C.F.R. § 2638.107). The Office of Ethics (OE) is the centralized and consolidated office implementing USDA’s ethics program throughout the Department. As such, OE provides ethics services to the Secretary of Agriculture and employees at all levels of USDA concerning advice, training, and guidance about compliance with conflict of interest and impartiality rules. This includes complying with the requirements of the Stop Trading on Congressional Knowledge Act, Pub. L. No. 112-105 (2012) (The STOCK Act), Office of Government Ethics regulatory requirements (5 C.F.R. Parts 2634 through 2641) as well as the statute governing political activities (the Hatch Act) and Office of Special Counsel implementing regulations.

OE is currently organized into an Office of the Director and one Mission Areas Ethics Programs Support Branch. The current structure is the result of an organizational realignment that took place in 2016 to provide a more effective and flexible structure for OE to utilize existing resources to successfully address the growing needs of USDA’s mission areas for ethics training, advice, and the review of over 14,000 financial disclosure reports.

As of September 30, 2023, there were 23 permanent full-time employees, including 22 in the headquarters office and one in the field.

OE did not have any Office of Inspector General or Government Accountability Office evaluation reports during the past year.

OIG AND GAO REPORTS

OE did not have any Office of Inspector General or Government Accountability Office evaluation reports during the past year.

AVAILABLE FUNDS AND FTES

Table OE-1. Available Funds and FTEs (thousands of dollars, FTEs)

Item	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Salaries and Expenses:								
Discretionary Appropriations.....	\$4,277	20	\$5,436	23	\$5,556	26	\$7,229	32
Total Discretionary Appropriations	4,277	20	5,436	23	5,556	26	7,229	32
Total Adjusted Appropriation	4,277	20	5,436	23	5,556	26	7,229	32
Total Available.....	4,277	20	5,436	23	5,556	26	7,229	32
Lapsing Balances	-82	-	-94	-	-	-	-	-
Total Obligations	4,195	20	5,342	23	5,556	26	7,229	32
Total Obligations, OE	4,195	20	5,342	23	5,556	26	7,229	32
Other USDA:								
OCIO Reimbursement	155	1	169	1	169	1	169	1
OCFO Reimbursement.....	155	1	169	1	169	1	169	1
Total, Other USDA	310	2	338	2	338	2	338	2
Total, Agriculture Available	4,587	22	5,774	25	5,894	28	7,567	34
Total Available, OE	4,587	22	5,774	25	5,894	28	7,567	34

PERMANENT POSITIONS BY GRADE AND FTES

Table OE-2. Permanent Positions by Grade and FTEs

Item	2022			2023			2024			2025		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
SES.....	1	-	1	1	-	1	1	-	1	1	-	1
SL.....	1	-	1	1	-	1	1	-	1	1	-	1
GS-15	2	-	2	2	-	2	2	-	2	5	-	5
GS-14.....	5	1	6	7	1	8	7	1	8	9	1	10
GS-13	3	-	3	5	-	5	5	-	5	5	-	5
GS-12.....	4	-	4	3	-	3	3	-	3	3	-	3
GS-11.....	1	-	1	1	-	1	1	-	1	2	-	2
GS-9.....	2	-	2	-	-	-	2	-	2	2	-	2
GS-7.....	-	-	-	2	-	2	3	-	3	3	-	3
Total Permanent.....	19	1	20	22	1	23	25	1	26	31	1	32
Total Perm. FT EOY.....	19	1	20	22	1	23	25	1	26	31	1	32
FTE	19	1	20	22	1	23	25	1	26	31	1	32

ACCOUNT 1: SALARIES AND EXPENSES

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

Salaries and Expenses

For the necessary expenses of the Office of Ethics, [\$6,958,000]\$7,229,000.

LEAD-OFF TABULAR STATEMENT

Table OE-3. Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimate, 2024	\$5,556,000
Change in Appropriation	+ 1,673,000
Budget Estimate, 2025	<u>7,229,000</u>

PROJECT STATEMENTS

Table OE-4. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)

Item	2022		2023		2024		2025		Inc. or Dec.	FTE Inc. or Dec.	Chg Key
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs			
Discretionary Appropriations:											
Ethics Services	\$4,277	20	\$5,436	23	\$5,556	26	\$7,229	32	+\$1,673	+6	(1)
Subtotal	4,277	20	5,436	23	5,556	26	7,229	32	+1,673	+6	
Total Adjusted Approp.....	4,277	20	5,436	23	5,556	26	7,229	32	+1,673	+6	
Transfers In and Out.....	-	-	120	-	-	-	-	-	-	-	-
Total Appropriation.....	4,277	20	5,556	23	5,556	26	7,229	32	+1,673	+6	
Transfers Out:											
Working Capital Funds	-	-	-120	-	-	-	-	-	-	-	-
Total Transfers Out	-	-	-120	-	-	-	-	-	-	-	-
Total Available.....	4,277	20	5,436	23	5,556	26	7,229	32	+1,673	+6	
Lapsing Balances	-82	-	-94	-	-	-	-	-	-	-	-
Total Obligations.....	4,195	20	5,342	23	5,556	26	7,229	32	+1,673	+6	

Table OE-5. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

Item	2022		2023		2024		2025		Inc. or Dec.	FTE Inc. or Dec.
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs		
Discretionary Obligations:										
Ethics Services	\$4,195	20	\$5,342	23	\$5,556	26	\$7,229	32	+\$1,673	+6
Subtotal Disc Obligations	4,195	20	5,342	23	5,556	26	7,229	32	+1,673	+6
Total Obligations.....	4,195	20	5,342	23	5,556	26	7,229	32	+1,673	+6
Add back:										
Lapsing Balances	82	-	94	-	-	-	-	-	-	-
Total Available.....	4,277	20	5,436	23	5,556	26	7,229	32	+1,673	+6
Less:										
Total Transfers Out	-	-	120	-	-	-	-	-	-	-
Total Appropriation.....	4,277	20	5,556	23	5,556	26	7,229	32	+1,673	+6

JUSTIFICATION OF CHANGES**USDA Ethics Program**

Base funds will allow OE to continue operating the Department’s Ethics Program and implementing the statutory and regulatory requirements to raise employee awareness and compliance with ethics laws. The Ethics in Government Act, 5 U.S.C. App 4 (the Act), established the mandatory ethics compliance requirements and infrastructure applicable throughout the Executive Branch. Under regulations implementing the Act, the head of each Executive Branch Department or Agency must exercise personal leadership in establishing, maintaining, and carrying out the agency’s ethics program and make available sufficient resources to ensure the agency’s ethics program can be implemented effectively (5 C.F.R. 2638.107). As such, OE is the sole office that provides ethics services to the Secretary of Agriculture and employees at all levels of USDA concerning advice, training, financial disclosure reviews, and guidance about compliance with criminal conflict of interest statutes (18 U.S.C. 201-209) and impartiality rules. This includes complying with the requirements of the Stop Trading on Congressional Knowledge Act, Pub. L. No. 112-105 (2012) (The STOCK Act), Office of Government Ethics regulatory requirements (5 C.F.R. Parts 2634 through 2641) as well as the statute governing political activities (the Hatch Act) and Office of Special Counsel implementing regulations.

Continuing the base funding is crucial to ensuring the continued success of the program. Stoppages or cutbacks in the program will put at grave risk USDA’s ability to meet its Congressionally mandated requirements under the Ethics in Government Act and conduct timely ethics vetting and processing of prospective Presidential nominees and appointees. Failing to fund OE at the base level will create an unsustainable situation for the Department’s Ethics Program and place the Department at risk of significant, but preventable, ethics scandals and Hatch Act violations, which will undermine Congressional confidence and erode public trust in USDA’s missions.

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Project Statement:

- (1) An increase of \$1,673,000 and 6 FTE (\$5,556,000 and 23 FTE available in 2024).

The funding change is requested for the following items:

- A) An increase of \$114,000 for 2025 pay.

This increase consists of \$114,000 in 2025 pay and employee costs, for continuation of the 2024 pay cost increase of 5.2 percent and the 2025 pay cost increase of 2 percent. If this funding is not provided, the Office of Ethics would need to reduce the timely delivery of the ethics services which would both create an unsustainable situation for the Department’s Ethics Program and place the Department at heightened risk of significant, but preventable, ethics violations.

- B) An increase of \$1,559,000 and 6 FTEs to address increasing demand for ethics activities.

At current levels, approximately 4,347 USDA employees are serviced by each OE ethics advisor, nearly eight times the Executive Branch average of 559. Funding at the requested level will allow OE to address the increasing demand for additional ethics and Hatch Act training, advice, and counselling, and will address the historic underfunding of USDA’s ethics program by bringing USDA’s ethics program staffing more in line with similar programs at other Federal agencies. OE Ethics Advisors have been required to do more with less for over a decade and USDA has become the Department with the lowest ratio of Ethics Advisors to employees of any Executive Branch agency. The workload burden has made it difficult to retain talented staff at USDA. Failure to provide these additional resources will continue the pattern of the high employee turnover amongst OE’s ethics advisors as a result of an excessive ethics workload when compared to the workload of ethics advisors at other agencies.

OE currently lacks the capacity to conduct the vital work of ensuring that Ethics advice is consistent, up to date in view of ongoing changes in ethics rules and U.S. Office of Government Ethics (OGE) policies, which impairs USDA's ability to avoid conflicts of interest and makes it difficult to restore and maintain public trust in government as mandated by the Administration and the Secretary of Agriculture. While OE staffing has been reduced or left stagnant over the years, there is a growing need and increasing demand for ongoing Hatch Act and ethics training and individual guidance across the Department. The expanding growth of social media has led to significantly increasing demands upon OE to provide additional ethics and Hatch Act trainings. This is to ensure that all employees are aware of, and adhere to, requirements issued by the OGE and the U.S. Office of Special Counsel governing Federal employees’ use of social media in the workplace. Additionally, there is a need for OE to provide timely ethics training and

guidance to those special government employees serving in high-visibility positions across USDA’s numerous Federal Advisory Committees and the USDA Equity Commission. Added to that is the increasing workload related to USDA’s scientific integrity and national security programs related to the outside activities of USDA scientists and other senior level employees. Due to limited staffing, increasing ethics workload, and competing priorities, OE has not been able to devote the necessary resources to ensure compliance with Federal regulations in these areas.

This request would address historic reductions in ethics staffing at USDA and support the hiring of six employees to continually evaluate ethics program effectiveness, as well as to address the increased demand to support USDA’s scientific integrity, national security, and advisory committee functions. Funding at this level will address the historic underfunding of USDA’s ethics program detailed above and bring USDA’s ethics program staffing more in line with similar programs at other Federal agencies. Providing these additional resources will address the high employee turnover in OE due to an excessive ethics workload. Failure to provide funding at the requested level will put at grave risk USDA’s ability to meet its Congressionally mandated requirements under the Ethics in Government Act and conduct timely processing of prospective Presidential nominees and appointees. Simply put, insufficient funding will create an unsustainable situation for the Department’s Ethics Program and place the Department at risk of significant, but preventable, ethics and Hatch Act violations, which will undermine public confidence in USDA’s missions.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table OE-1. Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)

State/Territory/Country	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
District of Columbia	\$4,010	19	\$5,147	22	\$5,352	25	\$7,019	32
Illinois	185	1	195	1	204	1	210	-
Obligations.....	4,195	20	5,342	23	5,556	26	7,229	32
Lapsing Balances	82	-	94	-	-	-	-	-
Total, Available.....	4,277	20	5,436	23	5,556	26	7,229	32

CLASSIFICATION BY OBJECTS

Table OE-2 Classification by Objects (thousands of dollars)

Item No.	Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Personnel Compensation:					
	Washington D.C.....	\$2,497	\$2,746	\$3,227	\$3,911
	Personnel Compensation, Field	144	155	148	155
11	Total personnel compensation	2,641	2,901	3,375	4,066
12	Personal benefits	957	996	1,181	2,200
13.0	Benefits for former personnel	2	2	2	2
	Total, personnel comp., and benefits	3,600	3,899	4,558	6,268
Other Objects:					
21.0	Travel and transportation of persons	6	7	6	15
23.1	Rental payments to GSA.....	1	1	1	1
23.3	Communications, utilities, and misc. charges.....	29	13	29	75
24.0	Printing and reproduction	4	3	4	20
25.2	Other services from non-Federal sources	195	116	600	300
25.3	Other goods and services from Federal sources	329	1,214	284	400
26.0	Supplies and materials	21	13	25	70
31.0	Equipment.....	10	76	49	80
	Total, Other Objects.....	595	1,443	998	961
99.9	Total, new obligations.....	4,195	5,342	5,556	7,229
	DHS Building Security Payments (included in 25.3)	\$9	\$7	\$11	\$12
Position Data:					
	Average Salary (dollars), ES Position	\$205,787	\$212,000	\$212,000	\$212,000
	Average Salary (dollars), GS Position	\$122,894	\$122,227	\$126,520	\$124,322
	Average Grade, GS Position.....	13.6	13.3	13.4	13.4

STATUS OF PROGRAMS

The Office of Ethics (OE) implements USDA’s Department-wide Ethics Program. All of OE’s core functions, such as the Financial Disclosure Program, Ethics and Hatch Act Training Programs, Ethics Policy Development, and the Ethics and Hatch Act Advice and Counseling Programs are mandated by the Ethics in Government Act, U.S. Office of Government Ethics (OGE) regulations, and Office of Special Counsel Hatch Act regulations.

Current Activities

In 2023, OE concentrated on developing and delivering timely and tailored ethics training products, with two end goals in mind: to raise employee awareness of the ethics rules and to avoid preventable violations of the ethics statutes and regulations that govern employee conduct.

First, OE utilized both distance training technologies and in-person appearances to train both USDA employees and those from partner organizations. During 2023, OE personnel conducted more than 100 hours of live ethics training for USDA employees across the Department. These presentations range from short, “ethics moments” on a subject of immediate interest to longer, more comprehensive, sessions covering conflicts of interest, gifts, misuse of position, and outside employment, amongst others.

Moreover, as the Federal government returned to the physical workplace after the end of the COVID national emergency, the Office of Ethics focused on re-establishing personal, face-to-face relationships with Office of Ethics clients, something sorely needed, with a special emphasis on increasing visibility with USDA employees outside of the Capital Region. To that end, OE staff travelled to 13 states (Illinois, Louisiana, Texas, New Jersey, New Mexico, Arkansas, New York, Minnesota, Maryland, Missouri, Maine, Virginia, and Colorado) to deliver live, in-person ethics training and meet with staff at the locations. The training sessions specifically addressed the needs of the agency clients and used examples that directly related to their mission to illustrate the application of the Hatch Act, and rules governing Gifts, Conflicts of Interest, Misuse of Position and Post-Employment. OE officials also provided ethics and Hatch Act guidance and training to Intergovernment Personnel Act appointees.

Secondly, OE continued to create distance training modules and videos. During 2023, OE developed and published four new ethics training videos on its website and on USDA’s YouTube page. The first video covered the ethics rules for Federal Advisory Committee Members. USDA has hundreds of advisory committee members spread across the department and the application of the ethics rules varies greatly depending on whether the members are classified as representatives or Special Government Employees. The challenges are exacerbated by the fact that these members serve on a temporary, part-time, basis and do not have access to all the training resources offered to full time federal employees. This video demystifies and summarizes the ethics standards to which advisory committee members are subject.

The other three videos focused on highlighting the work that ethics advisors do at USDA and throughout the federal government. One, entitled “Introduction to the USDA Office of Ethics” is featured at the top of the OE website and explains the office’s mission while encouraging employees to reach out with questions. The second, highlights OE’s work in delivering in-person training across the country and invites field offices to contact their ethics points of contact to secure a training session for their staff. The third video, “The Best Job You Never Knew Existed: Your Career as a Federal Ethics Advisor” explains what being an ethics advisor in the federal government entails, with the aim of being used as a recruiting tool to attract talented students and employees who are interested in serving their country and strengthening ethics and integrity across the government. These publicly available training products were produced with an emphasis on minimizing costs and can be either immediately used, or replicated, by other Federal agencies’ Ethics Programs across the Executive Branch.

In 2023, OE completed another successful year of electronic filing. OE completed review of 1,065 public financial disclosure statements (OGE-278 Public Financial Disclosure Reports and OGE 278T Periodic Transaction Reports required by the Stop Trading on Congressional Knowledge Act) and 11,831 confidential financial disclosure reports (OGE-450). As mandated by the U.S. OGE, OE continued to operate a second electronic financial disclosure report filing system, INTEGRITY.GOV, for USDA’s new OGE-278 filers. Existing filers continue to use USDA’s legacy e-filing system, and 99.9 percent were filed as required. Moreover, for the eighth consecutive year, more than 99 percent of all USDA employees who were required to take annual ethics training (10,457 in total) completed that requirement in a timely fashion, and 95.5 percent (5,474 employees) of new USDA employees completed initial ethics orientation training as required by statute.

Further, OE staff provided ethics orientation briefings for all new Administration appointees to ensure that they were apprised of the ethical obligations of Federal service. OE's senior leaders conducted personal ethics orientation sessions for 47 incoming political appointees on their first day at USDA. These one-hour briefing sessions covered subjects of immediate importance to incoming appointees, such as conflicts of interest, the gift rules, the Ethics Pledge, and the political activity restrictions. Each new appointee was assigned a senior OE employee to assist them in completing their OGE-278 public financial disclosure report. Upon completion, OE senior staff members conducted a thorough ethics review of new political appointees' financial disclosure reports, addressing any potential concerns identified in those reports.

Additionally, OE served as the primary point of contact for all USDA nominees for Presidentially appointed, Senate-confirmed positions. In that capacity, OE worked with the OGE to ensure that the nominees' financial disclosure reports were complete, and all conflict-of-interest concerns were appropriately resolved prior to nomination.

Selected Examples of Recent Progress

Office of Ethics Website: Updated and revised the content on OE's website with a focus on ensuring all resources met the requirements imposed by Section 508 of the Rehabilitation Act of 1973. As a result, OE's multimedia content meets all accessibility requirements and is available to not only USDA employees but to the members of the public that frequently have questions about how the federal ethics rules work. OE's website now highlights the following innovative training products: Ethics Live Casts, OE's YouTube Playlist (containing 36 short OE-developed videos), the USDA-NASA Ethics Game and links to USDA's mobile app for both Apple and Android platforms.

Provided training and advice to USDA's Equity Commission as well as the Equity Commission's Subcommittee on Agriculture and Subcommittee on Rural Community and Economic Development on the application of the ethics rules to Federal Advisory Committee members.

Served as the ethics representative on the team developing USDA's Foreign Talent Recruitment Program policy. In this capacity, OE interfaced with colleagues in the Office of the Chief Scientist, the Research, Education and Economics Mission Area, and the National Institutes of Health to establish a policy that protects the scientific integrity of USDA research programs from being compromised by foreign governments.

Distributed more than 100 different one-page "Ethics in Brief" (short synopses of topical ethics rules).

Provided training and guidance in connection with USDA's charitable programs with Departmental-wide scope, such as the Combined Federal Campaign and the Feds Feed Families Campaign.

Responded to several thousand ethics questions, including inquiries regarding conflicts of interest, gifts, political activity, and the post government employment restrictions to ensure officials knew and understood their ethics obligations. The most common questions are used as the basis for OE's training materials.

Met regularly with staff members of OIG to discuss the application of Federal ethics statutes and regulations to OIG inquiries; provided copies of employees' financial disclosure reports when requested.

Advised the Office of Human Resource Management regarding potential ethics issues presented in employee relations matters.

Responded to document requests from the public and the USDA Freedom of Information Act (FOIA) office in compliance with the FOIA and the Open Government Act, as well as requests to produce public financial disclosure reports from members of the media and the general public.

Continued to utilize six strategic action teams (Training, Outreach, Internal Training Professional Development, Financial Disclosure, Advice & Counsel, and Policy & Processes) to engage all OE employees in collaborative projects to develop comprehensive strategies for how OE will deliver services to fulfill its mission. These teams, which involve OE employees across all GS-levels and office locations in the strategic planning of OE's future, enhance the delivery of ethics services to USDA employees by encouraging diverse thought and employee input into how OE will move forward as an organization.