

Jo Bonner, Alabama
Chairman
Linda T. Sánchez, California
Ranking Member

Michael T. McCaul, Texas
K. Michael Conaway, Texas
Charles W. Dent, Pennsylvania
Gregg Harper, Mississippi

John A. Yarmuth, Kentucky
Donna F. Edwards, Maryland
Pedro R. Pierluisi, Puerto Rico
Joe Courtney, Connecticut



ONE HUNDRED TWELFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON ETHICS

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Staff Director and Chief Counsel

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February 1, 2012

The Honorable John Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Eric Cantor
Majority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Boehner, Majority Leader Cantor, and Minority Leader Pelosi:

We write to update you about the activities of the Committee on Ethics during calendar year 2011. Below you will find a brief summary of the Committee's notable activities, followed by a table summarizing the activities.

About the Committee

The Committee on Ethics is tasked with interpreting and enforcing the House ethics rules. The Committee has sole jurisdiction over the interpretation of the Code of Official Conduct, which governs the actions of Members and staff. The Committee is the only standing House committee with equal numbers of Democratic and Republican members. The Committee's operative staff is required by rule to be—and it is—professional and nonpartisan. In these and other ways, the Committee is unique and distinct from other committees and plays a different role in the House than any other House entity.

Most of the Committee's work is conducted confidentially. Members and staff are prohibited, by Committee rule, from publicly discussing the Committee's work. Confidentiality

promotes compliance with the rules and, in the investigative context, permits the Committee to independently investigate matters fully without interference or undue influence. Confidentiality is also a component of fairness to those whose conduct may be reviewed by the Committee.

However, at appropriate times and in the interest of transparency and accountability, the Committee may make certain activities and information public. Therefore, to the extent Committee rules, obligations, and integrity permit, the Committee submits this report on its activities.

The Committee's Responsibilities

The Committee manages five critical responsibilities:

1. **Training.** The Committee provides mandatory annual ethics training to over 10,000 employees of the House. In addition, the Committee provides additional, mandatory training for senior staff. Trainings take the form of in-person briefings and computer-based interactive presentations. The Committee is in the process of updating its online training materials and has put into place systems for monitoring and enforcing compliance with the House's training requirements.
2. **Advice and Education.** The Committee provides both formal and informal guidance to Members and employees of the House. Through published guidance, the Committee updates the House on the ethical standards regulating the conduct of Members and staff. It also provides confidential written guidance to Members and staff on specific questions. In addition, the Committee staff gives informal, confidential advice to Members, staff, and the public every day.
3. **Travel.** The Committee is responsible for reviewing and approving all privately-sponsored travel related to official duties offered to Members and staff. The Committee is in the process of reviewing its travel regulations. Exercising its oversight jurisdiction, the Committee, with the benefit of five years' experience implementing the House travel rules, expects to revise its travel regulations in the near future.

4. **Financial Disclosure.** The Committee reviews and certifies all financial disclosure reports. Members, candidates, and senior staff are required to file. These are time-intensive reviews, which require the dedication of substantial staff resources to complete. In addition, the Committee's financial disclosure experts speak and meet regularly with individual Members and staff to pre-screen their reports to prevent and avoid the necessity of filing amendments, or to provide assistance in completing the reports.
5. **Investigations.** The Committee investigates and adjudicates allegations of impropriety and violations of House ethics rules by Members and staff. The Committee actively investigates allegations against Members and staff, using a mix of informal and formal investigative techniques to determine the validity of factual allegations, explore potential rules violations and recommend appropriate sanctions and corrective actions. Where appropriate, the Committee refers matters to federal and state law enforcement authorities.

In addition, the Committee performs other critical functions to ensure compliance with House ethics rules. Several of these functions are noted in the table below, which summarizes the Committee's activities for 2011.

Significant Accomplishments

Organization in the 112th Congress

On January 5, 2011, Representative Jo Bonner was appointed Chairman of the Committee. On January 26, 2011, the Committee gained five new Democratic Members, and Representative Linda T. Sánchez was appointed Ranking Member of the Committee. On January 12, 2011, the Committee moved its two offices in the Capitol into three offices in the Longworth House Office Building. It took significant time to equip the offices with the proper security and organizational facilities necessary for the confidential work of the Committee. The Committee staff continues to adjust and reassess its new spaces to maximize the goals of confidentiality, efficiency, and accessibility in the interests of the entire House community.

The first Committee meeting of the new Congress was held on February 15, 2011. Once the Committee was constituted, the Chairman and Ranking Member began the search for a Staff Director to lead the staff of the Committee in their important and sensitive work. On May 2, 2011, after an extensive search and rigorous vetting process, the Committee selected Dan Schwager to serve as the Staff Director and Chief Counsel to the Committee. Upon his appointment, the Committee focused on hiring new counsel to fill out its depleted staff. By the end of June, the Committee had made significant hiring achievements, outlined below.

Completed Staff Hiring

While all Committees have been subject to budget cuts in recent times, the Ethics Committee, unlike most other Committees, cannot set the bulk of its own workload, but rather exists to react to the needs of the House community. In addition, the advent of the Office of Congressional Ethics, and the additional review and documentation procedures mandated for the ever-growing privately-sponsored travel agendas of House Members and staff, have significantly increased the demands on the Committee's nonpartisan ethics and investigative professionals. The Committee's own staff levels therefore have necessarily grown over the last several years. However, in order to comply with the recent budget constraints and reductions, the Committee has managed its staff resources to do more with less, as described below.

At the start of the 112th Congress, the Committee employed 21 professional, nonpartisan staff, and two counsel designated specifically to advise the Chairman or Ranking Member, while the Committee had vacancies for several additional positions. From the first days of the Congress however, the Committee lost a significant number of critical staff, reaching a low of 15 professional, nonpartisan staff and 2 designated counsel. Effective May 2, 2011, the Committee appointed a new Staff Director and Chief Counsel. The Committee has since hired 11 additional staff members, including a Director of Investigations, 1 senior counsel, 5 counsel, a systems administrator, and 3 staff assistants. The Committee has also made internal appointments, appointing a Director of Advice and Education and three senior counsel from within its continuing ranks. By the end of the year, the Committee was operating with 22 professional, nonpartisan staff, and 2 designated counsel. In an effort to function within the current budget constraints, the Committee has put together its current staff of 24, at a lower salary total than the staff of 23 at the beginning of 2011.

In addition to its permanent staff, in July 2011, the Committee unanimously voted to retain an outside counsel, William R. (Billy) Martin, and his firm, to review, advise, and assist the Committee in completing the Matter of Representative Maxine Waters. The decision to retain outside counsel reflected the high priority of this unique matter and the need to resolve it with the utmost care, diligence, and integrity. Hiring an outside counsel allowed for an independent review and a faster resolution than if the Committee staff were to handle it alone. In addition, retaining outside counsel in this matter has allowed the Committee and its staff to continue to work diligently on its large number of other pending investigative matters, as well as its substantial ongoing work within its advice and education, financial disclosure, travel, and training responsibilities. By the end of 2011, Mr. Martin and his team had performed a substantial amount of work to move this matter forward. Mr. Martin had reviewed tens of thousands of pages of documents, interviewed numerous witnesses, and conducted extensive legal research regarding the nature of due process rights which attach to Members of Congress appearing before this Committee. Mr. Martin's work continues into 2012 with the assurance of prompt and thorough recommendations to the Committee on the many questions involved in this matter.

The entire staff is committed to supporting, with integrity and without bias, the Committee's important service to each Member, officer, and employee of the House. The addition of a new Staff Director, and subsequent hiring and internal appointments, has put the Committee on the road to reaching the maximum efficiency possible under the current and anticipated budget constraints.

Advice to New and Existing Members and Staff

Since the 112th Congress began, 95 new Members have joined the House, as have 3,077 new employees. With this surge in new Members and employees, the Committee staff has necessarily focused much of its attention on advising and educating new House Members and staff on the ethics rules that now apply to them. Since the beginning of 2011, Committee staff has offered nonpartisan informal guidance to Members, officers, and employees in over 17,000 phone calls and over 3,500 emails. The Committee encourages all Members and staff to call with any ethics questions they may have. In addition, the Committee offers frequent opportunities for Members and staff to participate in live and online training. In 2011, the Committee offered 51 live training seminars and over 386 in-person private meetings, many of which involved assisting financial disclosure filers.

In addition, the Committee is continually striving to expand the scope of its efforts to educate and assist Members, officers, and employees of the House. To that end, the Committee also issued 10 Pink Sheets or General Advisories to the entire House Community, including *Rules Regarding Personal Financial Transactions*, *Joint Guidance on Redistricting*, and *Revised Legal Expense Fund Regulations*. All 10 of these Pink Sheets, along with other guidance issued by the Committee are available to the House community on the Committee's Web site, www.ethics.house.gov.

Investigative Matters

The Committee actively investigates allegations against House Members, officers, and employees, using a mix of informal and formal investigative techniques to determine the validity of factual allegations, explore potential rules violations, and recommend appropriate sanctions and corrective actions. The Committee's options for investigating a matter include fact-gathering under Committee Rule 18(a), which may or may not be publicly disclosed, the empanelment of investigative subcommittees, and the review of transmittals from the Office of Congressional Ethics (OCE). The fact that a House Member, officer, or employee is referenced in an investigative matter should not be construed as a finding or suggestion that the Member, officer, or employee has committed any violation of the rules, law, or other standard of conduct.

In 2011, the Committee commenced 25 new investigative matters. In addition, the Committee carried over 26 matters from the 111th Congress. During that time, the Committee received 9 referrals from the OCE, recommending further review or dismissal. By the end of 2011, the Committee completed 16 investigations. Resolutions in 12 of those matters were publicly disclosed, and numerous public statements were issued regarding the Committee's

investigative work. The Committee has publicly released seven Committee and staff reports, totaling nearly 1,400 pages.

Ongoing Review of Committee Rules and Travel Regulations

In 2011, the Committee formed a bipartisan working group led by Representative Michael T. McCaul and Resident Commissioner Pedro R. Pierluisi to review and make recommendations for amendments to the Committee's Rules. The working group met formally two times to identify and discuss proposed amendments. In 2011, the Committee carried over a bipartisan travel working group now led by Representative Charles W. Dent and Representative Donna F. Edwards to review and make recommendations for amendments to the Committee's privately-sponsored travel regulations. The working group met formally six times to identify and discuss proposed amendments and to receive input from Members of the House and outside organizations. The working groups continue their work in 2012.

More Transparent Public Information and New Web Site

In 2011 the Committee released 18 public statements regarding various investigative and personnel matters. Where appropriate, the Committee issued investigative reports for matters, ranging from 1 page to more than 600 pages (including attachments). Several of these statements announced progress in significant investigative matters.

In order to make access to all Committee materials easier and more transparent, the Committee launched a new Web site in the fall of 2011, featuring easily accessible guidance, forms, and historical documents. Significantly, the Committee has now, for the first time, made all Committee investigative reports dating back to the Committee's founding in 1967 available to the public in electronic form. All 70 of these reports are now available in searchable formats on the Committee's Web site. With the launch of the new Web site, the Committee has listened to transparency suggestions and concerns from numerous House and outside sources and continues to make improvements to the usefulness of its Web site.

The Committee also produces the following table summarizing its activities in the 112th Congress through December 31, 2011.

Committee Report from January 1-December 31, 2011	
Formal Advice and Approval	
Advisory Opinion Requests Received	597
Advisory Opinions Mailed	535
Percentage of Opinions Mailed within 2 weeks	64.11%
Percentage of Opinions Mailed within 4 weeks	80.93%
Travel Requests Received	2,001
Travel Opinions Mailed	1,768
Percentage of Travel Opinions Mailed within 2 weeks	63.52%
Percentage of Travel Opinions Mailed within 4 weeks	91.91%
Informal Advice (including Financial Disclosure)	
Phone Calls (approximate)	18,054
Emails (approximate)	3,574
Training	
Total # of House Employees (as of 12/31/2011)	10,050
Employees having completed training (as of 12/31/2011, approximate)	9,610
Training briefings (scheduled training sessions)	51
Personal Advisory Meetings with Members and Staff (approximate)	386
Investigations	
Investigative Matters carried over from the 111th Congress	26
Investigative Matters commenced in 2011	25
Investigative Subcommittees carried over from the 111 th Congress	1
Investigative Subcommittees commenced in 2011	1
Publicly Disclosed Resolutions	12
Confidential Resolutions	4
Referrals received from the Office of Congressional Ethics	9
Financial Disclosures	
FD Reports filed by Members and Staff	2,675
FD Reports filed by Candidates	344
FD Reports and amendments reviewed by Committee staff	3,110
Committee Publications	
Pink Sheets/General Advisories	10
Public Statements	18
Investigative Reports	7
Miscellaneous Oversight	
Recusals	62
Negotiations	83
Qualified Blind Trusts	3
Legal Expense Funds	7
Foreign Gifts and Travel Reports	6
Meetings	
Full Committee Meetings	16
Subcommittee Meetings	5
Working Group Meetings	8
Personnel	
Lowest Total Staff Level in 2011	17
Highest Total Staff Level in 2011	24

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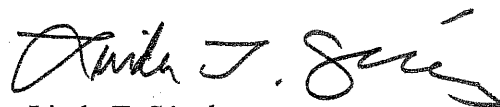
Conclusion

We appreciate this opportunity to update you about the activities of the Committee for the first half of the 112th Congress. If you have any questions, please feel free to contact the Committee's Staff Director and Chief Counsel, Dan Schwager, at (202) 225-7103.

Sincerely,



Jo Bonner
Chairman



Linda T. Sánchez
Ranking Member