Leading from the Top
An Ethics Plan for Presidential Candidates

Coalition for Integrity
The Coalition for Integrity is a non-profit, non-partisan 501(c)(3) organization. We work in coalition with a wide range of individuals and organizations to combat corruption and promote integrity in the public and private sectors. www.coalitionforintegrity.org

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Anti-Corruption Plan for Presidential Candidates

Foreword

The Coalition for Integrity is a non-partisan 501(c)3 organization focused on curbing corruption in the United States and abroad. We strongly support instruments that restrain international business bribery, like the OECD Anti-bribery Convention. It is equally or more important, at this moment, to ensure that the federal and state governments put in place and actively enforce measures to promote integrity and limit corruption and the perception of corruption. The Coalition instituted the S.W.A.M.P. Index and the Virginia Integrity Challenge to address issues at the state level. In the midst of a presidential election at a critical moment in our history, the integrity of those who seek to serve as President of the United States is one of the paramount issues facing the United States. This policy paper is the first of a series on integrity and anticorruption issues our government and its leaders must address.

Introduction

Lack of trust in government and politicians has been one of the most prominent and concerning factors that animate American politics. This phenomenon is widespread, as strong majorities of virtually every demographic and political group express a lack of trust in the federal government. One corollary to this view is the widespread belief that members of Congress, the President, and other government figures regularly behave unethically, do not take responsibility

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for their actions, and do not face consequences for wrongdoing.⁴

These popular views stem in part from a legal landscape that contains significant blind spots with respect to government ethics. For example, the Office of Government Ethics, tasked with overseeing ethical issues in the executive branch, does not have a clearly outlined jurisdiction⁵ and absolutely no enforcement powers. Federal conflict of interest laws exempt the President and Vice President from their reach.⁶ The ability of whistleblowers to reveal government corruption, financial misdeeds and self-dealing has been compromised.

The ongoing COVID-19 crisis shines an even brighter light on the centrality of integrity. With the federal government acting as the tip of the spear in the fight against the virus, as well as the public face of relief efforts, it is essential that official statements on the virus be honest and transparent. In order for Americans to have faith in the government’s ethics and integrity in responding to the crisis, the government must demonstrate a commitment to ethics and integrity in all other areas of governance, especially the distribution of massive public funds for relief and recovery. Just as integrity begets integrity, dishonesty begets dishonesty. The current COVID-19 crisis, in particular, demands the highest standards of integrity in rooting out conflicts of interest due to the massive stimulus package. The historic $2.2 trillion relief legislation and the subsequent expansion of the programs are laudable actions on the part of the government, but given their size and scope they have the danger to be a breeding ground for corruption, conflicts of interest, and self-dealing. Transparency and oversight are essential in its administration.

Our presidential candidates must take a strong stance on issues of ethics and integrity and transparency. Our democracy cannot thrive with so much of the country believing that its officials can behave unethically with impunity – particularly when there are few legal mechanisms to address this widespread belief.

⁵ 5 CFR § 2638.108
⁶ 18 U.S.C. § 202(c)
ROLE OF THE PRESIDENT

Every effective corporate ethics program starts with the importance of “tone at the top.” The chief executive officer needs to demonstrate a personal commitment to corporate ethics, to communicate strong support for ethical behavior in business dealings, and establish clear expectations for subordinates. Tone at the top applies to any organization. Presidents and presidential candidates need to display a comparable or greater commitment to ethics and integrity in the U.S. Government.

The President plays a unique role in the fight against corruption in a number of ways. First and foremost, as the most visible public official in the country, the President can increase confidence and exemplify integrity in his or her own life by releasing tax returns and health information, revealing potential conflicts of interest and divesting financial interests that underlie such conflicts. The President must set that tone, emphasizing the importance of ethics, integrity and transparency in government actions. The President should support the laws that encourage and protect whistleblowers who bring to light potential waste, fraud and abuse. The President should set an agenda with Congress that places a high priority on the legislative changes discussed in this paper to enhance ethics, integrity and transparency. Finally, as the country’s leader on the world stage, the President can make it clear that the United States will work with other countries to combat corruption abroad.

COALITION FOR INTEGRITY’S RECOMMENDATIONS

This paper asks the Presidential candidates to commit to personal integrity and legislative action to address identified shortcomings in relation to government ethics, integrity and transparency. Personal integrity is exemplified by words and deeds set out below. On the legislative front, we are not advocating for the passage or defeat of any particular piece of legislation and look forward to working with the Administration and Congress on actual implementing legislation.

We ask each Presidential candidate to commit to:

- Explain how they will build trust and embed integrity, both in their campaign and, if elected, in carrying out the duties of President.
• Be truthful in what they say about their policies and priorities and in their comments about their opponent.
• Disclose sufficient information about their personal finances and health so that voters can make informed decisions.
• Take vigorous steps to avoid any real or perceived conflicts of interest.
• Adopt effective ethics rules, including governing gifts to public officials.
• Support strong and effective accountability institutions, such as Inspectors General and Ethics Agencies.
• Detail how the President and his immediate family will avoid conflicts of interest going forward.
• Ensure that the President and Vice President disclose financial information so that the public can discern that they are abiding by conflict of interest principles even if they remain legislatively exempt from statutes applying to other government personnel.
• Support legislation to clarify the jurisdiction of the Office of Government Ethics, give it meaningful power to investigate and enforce the ethics laws and protect its director from removal without cause.
• Support legislation to enhance whistleblower protection and commit to nominating swiftly and working hard to confirm the members of the Merit Systems Protection Board.

As a nonpartisan organization dedicated to fighting corruption, the Coalition for Integrity takes no stance and makes no argument on who should be elected President. We simply call on candidates to fulfill their obligation to conduct their campaign, and to govern, if they are elected, with transparency and integrity. When voters elect a person with integrity, they should be confident that that person will serve in the interest of the public, not his or her personal interest. A candidate’s platform is important, but unless the candidate has integrity, platforms will mislead and disappoint. In order to roll back the all-too-widespread perception that government is corrupt, presidential candidates must conduct themselves at the highest level of transparency and integrity.
I. Strengthening the Office of Government Ethics and Closing Ethical Loopholes

A. Strengthening the Office of Government Ethics

CURRENT LANDSCAPE

The Office of Government Ethics (OGE) is an agency of the executive branch tasked with overseeing implementation of the ethics laws within the branch and preventing conflicts of interest.\(^7\) In practice, however, the office does not have the power to fulfill its mandate. The office promulgates regulations implementing the ethics laws, issues advisory ethics opinions on a case-by-case basis, provides guidance to executive branch agencies on implementing the conflicts of interest, gift and other ethics laws and provides training for executive branch employees and officials.

The Ethics in Government Act does not empower OGE to enforce the ethics laws. The agency cannot investigate suspected ethics violations and does not process complaints about ethical violations. OGE’s website states that it “does not handle complaints of misconduct” and provides links to the proper avenues for complaints.\(^8\) Instead, if OGE becomes aware of a potential violation, it refers the information to the Department of Justice or the Inspector General for the relevant department for investigation and eventual enforcement.

The scope of OGE’s jurisdiction has been questioned in recent years. Lawyers for the Trump administration have claimed in response to OGE recommendations for White House action to address ethical lapses by staff members that OGE’s regulations may not apply to certain

\(^{7}\) 5 C.F.R. § 2638.108.

executive branch employees. The statute that created OGE clearly states that it is tasked with reviewing financial disclosure reports from executive branch employees, preventing conflicts of interest by executive branch employees, and developing rules related to the executive branch—including its employees. Ultimately, the White House did comply with OGE’s request to collect copies of ethics waivers, but the long delays in compliance can be avoided by clarifying OGE’s jurisdiction over all members of the Executive Office of the President.

Finally, OGE’s statute contains no specific provisions regarding the removal of an OGE director. The statute does state that the Director is appointed by the President, and confirmed by the Senate, for a term of five years. It does not, however, clearly state the mechanism by which a Director may be removed prior to the end of his five-year term. Because of this, a President who is unhappy with the activities of an OGE director could very easily remove him or her from office, and it would likely be perfectly legal. Even the threat of possible removal can influence the Director’s actions.

POSSIBLE SOLUTIONS

The powers of the Office of Government Ethics should be clarified to ensure effective oversight over the conduct of the Executive Branch. When an office cannot enforce violations or even investigate to uncover violations, it can scarcely be expected to fulfill its mandate of preventing ethical lapses. Conferring investigative and sanctioning authority on the OGE, therefore, is an essential change. It would be helpful to clearly state that employees of the Executive Office of the President are covered by the OGE’s jurisdiction to head off any future conflicts. Finally, the Director should only be removable for cause, in order to protect his or her ability to make decisions that may not be politically palatable. The For the

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9 See Letter to S. Passantino, Deputy Counsel to the President and Designated Agency Ethics Official, from W. Shaub, Jr., Director, U.S. Office of Government Ethics, n. 1 (Mar. 9, 2017); see also Letter to W. Shaub, Jr., Director, U.S. Office of Government Ethics, from S. Passantino, Deputy Counsel to the President and Designated Agency Ethics Official, n. 1 Feb. 28, 2017).


11 Id.

12 We note that the Supreme Court will soon issue a ruling in Seila Law v. Consumer Financial Protection Bureau, on whether the Bureau’s structure violates the Constitution’s separation of powers because it is an independent agency headed by a single Director who exercises substantial executive power but can be removed by the President only for cause. The outcome of this case will have an effect on other independent agencies, such as OGE.
People Act, the first bill introduced by House Democrats in this Congress, is a massive bill seeking to remedy numerous issues, including those relating to OGE. It gives the Director of the OGE investigative authority, including by subpoena. Most language in the Ethics in Government Act speaking to OGE's role as an agency meant to collaborate with other parts of the government is deleted and replaced by language making OGE's ability to act on its own more explicit. Further, it tightens up some of the Office's powers by making OGE training programs mandatory, not permissive, and giving the Office the authority to take disciplinary action up to and including dismissal of the employee. The ultimate decision maker is still the agency head, but the power is phrased as an "order," which seems to imply that the power is beyond recommendation. "Agency" is also clearly defined to include the Executive Office of the President and the process for removing a Director is outlined, including protection from removal without cause.

This bill passed the House on a purely party-line vote. A Senate counterpart is supported by almost the entire Senate Democratic caucus. For the People Act has been roundly and repeatedly criticized, largely for its regulation of elections which are seen as a violation of federalism and a federal power grab. It is important to note, however, that none of the criticism of the For the People Act addresses the provisions related to the Office of Government Ethics. Thus, a more targeted piece of legislation restructuring the OGE might have a greater chance of bipartisan support. OGE reform is supported by several outside groups, including Issue One, the Campaign Legal Center and the Brennan Center for Justice.

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17 Daniel I. Weiner, Strengthening Presidential Ethics Law, Brennan Center for Justice; Letter to House Committee on Oversight and Government Reform, from W. Shaub, Jr., Senior Director, Ethics, Campaign Legal Center (Nov. 9, 2017); National Task Force on Rule of Law & Democracy, Proposals for Reform, Brennan Center (Sept. 2018); Issue One, Time to Revisit the Office of Government Ethics (May 23, 2017).
OUR RECOMMENDATIONS

The OGE should be given meaningful power to investigate and sanction ethical misconduct in the Executive Branch. Its jurisdiction should also be clarified to cover all Executive Branch employees, including those in the Executive Office of the President. Finally, in order to allow the OGE to perform this mandate, the removal provisions of the Director should be clearly outlined to prohibit removal without good cause.\textsuperscript{18}

\textsuperscript{18} As noted above at FN 12, this recommendation may need to be revisited after the Supreme Court rules in Seila Law v. CFPB.
B. Closing Ethical Loopholes

CURRENT LANDSCAPE

Conflicts of interest among federal officials and employees are governed by the Conflict of Interest Statute. It provides a long list of actions that officials and employees are prohibited from participating in if they have knowledge of a conflict of interest involving themselves or their family. The act contains numerous exemptions, however, and perhaps the most significant is the fact that the definitional section of the law specifically exempts the President, Vice President, members of Congress and federal judges from its application. Members of Congress and federal judges are subject to conflict of interest limits in other legal and regulatory frameworks, but there is no such coverage for the President and Vice President.

The reasoning behind such exemptions for the President and Vice President has been described as a concern with separation of powers. Specifically, critics have said that these officials’ status as the heads of the Executive Branch make recusal from matters functionally impossible. If it is true that recusal is impossible, it is vitally important that presidents and vice presidents show their respect for conflict of interest norms through divestment or creation of blind trusts and take initiatives to disclose their and their children’s private financial interests so that voters can assess whether their actions are upright.

At a time when faith in government is at an all-time low and government is being asked to do so much to ensure our recovery from COVID-19 and an economic slump, it is essential that officials at the top behave with integrity. Each public official has the duty to act in the public interest, and

not to use his or her office or official resources for personal gain or the gain of their family members.
II. Whistleblower Protection

THE CURRENT LANDSCAPE

Protection of whistleblowers is critical to any anti-corruption framework. Those in the government who come forward with information about waste, fraud and abuse do a great service to their fellow citizens. Inspectors General and those responsible for ensuring good government could not properly do their jobs without whistleblowers. Whistleblowing is often done at great personal risk, which is part of the reason why it is so commendable. However, that does not mean that steps cannot be taken to give whistleblowers adequate protection. Promoting whistleblower rights and protections is essential to assist Congress, law enforcement and Inspectors General in their jobs – to prevent waste, fraud and abuse across the government. For example, with the current stimulus package responding to COVID-19, Inspectors General will have a massive influx of appropriations and government actions to monitor for wrongdoing. It is essential to promote and protect whistleblowers so that this monitoring can be done effectively.

Whistleblower protection is one area where there has been, in the past, robust legislative action taken by Congress. The Whistleblower Protection Act (WPA) was passed by Congress in 1989 by a 97-0 vote.\(^{23}\) It prohibits federal employees from having adverse personnel actions taken against them in response to whistleblowing. Further legislative action was taken in 2012, when Congress passed the Whistleblower Protection Enhancement Act – also without objection.\(^{24}\) This bill built on the WPA by expanding disclosures that were protected, as well as giving whistleblowers some legal remedies. Whistleblower protection clearly has drawn support on both sides of the aisle, with the most vocal Republican supporter being Sen. Chuck Grassley, the current president pro tempore of the Senate as well as the chair of the Finance Committee.


Additionally, the Government Accountability Project has engaged in vital activism to help pass these laws, and to protect whistleblowers covered under them. Whistleblower protection is supported by a wide array of groups, including the Charles Koch Institute, the ACLU and the National Taxpayers Union.\(^{25}\)

Despite a history of legislative action, there are still significant gaps in protection for whistleblowers. Some of these gaps must be changed by amending current law, but others are more related to the practical enforcement of the laws. The Whistleblower Protection Act designates avenues for whistleblowers to receive protection, including the Office of Special Counsel (OSC) and the Merit Systems Protection Board (MSPB).\(^{26}\) There are some personnel actions for which the whistleblower has an “independent right of action,” such as performance evaluations, reassignments, implementation of a nondisclosure agreement, or a significant change in work conditions or duties, among others.\(^{27}\) In these cases, the whistleblower must file a complaint with the Office of Special Counsel, and may only appeal to the MSPB themselves if the OSC does not take corrective action.\(^{28}\) For an “otherwise appealable action” which includes a set of personnel actions including removals, furloughs, and demotions, among others,\(^{29}\) the whistleblower may also choose to go through the Office of Special Counsel or they may go to the board (MSPB) themselves.\(^{30}\) If the OSC receives a complaint, they will attempt to resolve it with the agency itself, and appeal to the MSPB if action is not taken.\(^{31}\)

Regardless of the path a whistleblower complaint takes, it ends at the MSPB, and that is the main problem. This agency is effectively shuttered, as it has a backlog of several thousand.

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\(^{25}\) Make it Safe Campaign & Coalition, Company Overview, https://www.facebook.com/pg/Make-It-Safe-Campaign-Coalition-89225363611/about/


\(^{27}\) Id.

\(^{28}\) Id.

\(^{29}\) Id.

\(^{30}\) Id.

\(^{31}\) Id.
cases and no sitting members due to a lack of Senate confirmation of nominees. In order to fully protect federal whistleblowers, this board must be restored to a fully functioning state.

Complicating the state of recourse for whistleblowers is the fact that they cannot seek recourse until and unless they are the victim of an adverse personnel action, and such recourse cannot go before a jury, as the only remedy is an administrative one through the MSPB, which, as stated, has significant problems.

One area related to whistleblowers where federal law requires further analysis and reflection is anonymity. During the recent impeachment investigation, there was much conversation about the identity of the intelligence community whistleblower, and whether he had a “statutory right” to anonymity. However, the only explicit protection of a whistleblower’s anonymity applies to Inspectors General and their staff. There are protections for whistleblowers against retaliatory personnel actions, including “changes in working conditions,” which some have claimed could be used to protect a whistleblower’s identity. Beyond that, however, whistleblowers lack a clear legal avenue to protect their identity from disclosure. Since whistleblowers often have a legitimate concern that they cannot be protected against retaliatory actions if their identity is disclosed, this is an area that Congress could hold hearings and consider action to clarify the current ambiguity on anonymity.

POSSIBLE SOLUTIONS

It is vital for the administrative remedy – what is currently the sole remedy – to be a legitimate avenue of relief for whistleblowers. To achieve this, the MSPB must be returned to its full strength, with the Senate confirming its requisite three members. However, it would also be helpful for there to be additional remedies. One possibility would be allowing whistleblowers to bring their claims before a jury. This is authorized in other whistleblower protection statutes, 32

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33 Salvador Rizzo, Schiff’s claim that the whistleblower has a ‘statutory right’ to anonymity, The Washington Post (November 20, 2019), https://www.washingtonpost.com/politics/2019/11/20/schiffs-claim-that-whistleblower-has-statutory-right-anonymity/.

including the Sarbanes Oxley Act, which covers protections for corporate whistleblowers. If it is currently being done for corporate whistleblowers, it should be no problem to extend the protection to federal government whistleblowers, and this should help cut down the massive backlog before the MSPB if used as an alternative means of recourse.

Additionally, the scope of the WPA should be broadened. Currently, whistleblowers are only protected if and when employers take adverse personnel actions against them in retaliation for whistleblowing actions. The WPA has a multifaceted definition of personnel actions, including changes to pay or benefits, changes to duties or assignments, or additional paperwork such as a nondisclosure agreement or performance evaluation. While broadly defined, personnel actions are not, by any means, the only threat facing whistleblowers. Employers can take actions against whistleblowers that, while not fitting the definition of a personnel action, make continued employment untenable for the whistleblower.

One particularly insidious action of this nature is a retaliatory investigation. In the context of the federal government, an investigator can investigate the whistleblower, and ultimately refer them for criminal prosecution. Even if such a referral and prosecution is baseless, a new investigation can be quickly pursued, and each investigation can wreak a terrible toll on the whistleblower, and cost a tremendous amount of time and money. Further, the message that a criminal prosecution sends to the entire agency is that whistleblowing will be punished and it is in their best interest to remain silent about wrongdoing. At the moment, whistleblowers cannot stop retaliatory investigations because they are not adverse personnel actions. This should change by giving whistleblowers the right to bring a claim before an adverse personnel action is taken and to obtain temporary relief against retaliatory investigations before they can be punished further for coming forward with the truth.

The scope of whistleblower protection could similarly be broadened to establish a stronger presumption of anonymity of whistleblowers. Protecting whistleblower privacy can be just as important as protecting their jobs. Indeed, often if a whistleblower cannot protect their identity, they will find continued employment to be untenable no matter the legal protections. Congress should study the current law and its effect on whistleblowers in the past, and consider

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broadening the current anonymity protections in order to give whistleblowers meaningful legal protection, and meaningful legal recourse when their identity is compromised.
Acknowledgments

This report was prepared by the Coalition for Integrity and edited by Shruti Shah, President and CEO of the Coalition for Integrity. The research team included Laurie Sherman, Policy Advisor, Coalition for Integrity and Alex Amico, Legal Fellow, Coalition for Integrity.

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