
OGE Form 450: A Review Guide

**U.S. Office of Government Ethics
September 1996**



TABLE OF CONTENTS

| | |
|---|-----------|
| SECTION I: Introduction | 1 |
| Overview | 1 |
| About this Guide | 2 |
| Resources | 2 |
| Who Files | 2 |
| Forms | 3 |
| Procedures | 4 |
| Privacy | 4 |
| SECTION II: Completing OGE Form 450 | 5 |
| Instructions for General Information Section | 6 |
| General Instructions for Parts I-V | 9 |
| Filing Deadlines | 9 |
| Reporting Periods | 10 |
| Format | 10 |
| Instructions for Part I: Assets and Income | 11 |
| Instructions for Part II: Liabilities | 16 |
| Instructions for Part III: Outside Positions | 18 |
| Instructions for Part IV: Agreements and Arrangements | 20 |
| Instructions for Part V: Gifts and Travel Reimbursements | 22 |
| SECTION III: Reviewing an OGE Form 450 | 25 |
| What Is a Review? | 25 |
| The Review Process | 25 |
| Limitations of this Guide | 27 |
| Preparing to Conduct a Review | 28 |
| General Review Instructions | 30 |
| OGE Form 450 Sample Review Exercise | 34 |
| Sample Solution Notes for Review Exercise | 35 |
| SECTION IV: Elements of an Effective Agency Review Process | 41 |
| SECTION V: Reference Materials | 43 |
| Glossary | 43 |
| Selected <i>DAEOgrams</i> | 47 |
| Blank OGE Form 450, with instruction pages | 59 |

SECTION I: Introduction

OVERVIEW

OGE Form 450 is the standardized form used by employees who are required to file a confidential financial disclosure report in the executive branch of the Federal Government. It was created by the Office of Government Ethics (OGE) to replace the green Standard Form (SF) 450, which was used from 1993 through 1996. OGE Form 450 was designed to reflect changes in the confidential financial disclosure regulation that occurred subsequent to the development of the SF 450, and to enhance user-friendliness. A blank copy of OGE Form 450, with its instruction pages, is included in Section V.

The confidential disclosure form is patterned after the Executive Branch Public Financial Disclosure Report (SF 278), used by senior employees, which is based on the requirements of the Ethics Reform Act of 1989. The confidential form differs, however, in that it is shorter, requires less detail, and is not available for public inspection. Executive branch confidential disclosure has existed since 1965, but the current system was developed in 1992, as required by Executive Order 12674.

The basic **purpose of the confidential financial disclosure system** is to assist employees and their agencies in avoiding *conflicts* between official duties and private financial interests or affiliations. See Section III. Those individuals identified as confidential filers generally have duties that are likely to affect non-Government entities.

It is vital that employees fully report their financial interests, to the extent required by the confidential disclosure regulation at subpart I of 5 C.F.R. part 2634, and that agency ethics officials thoroughly *review* these reports for possible *conflicts of interest*. One of the primary responsibilities of reviewers is to ensure that each confidential report complies with the requirements set forth in paragraph (b)(1) of 5 C.F.R. § 2634.605, so that they may then *certify* it, by their signature. A solid understanding of OGE Form 450 and how it is filled out makes those determinations easier.

This self-study guide should enable the ethics practitioner to:

- Become familiar with the format of OGE Form 450
- Know how an OGE Form 450 should be completed and filed
- Understand the essential steps of an OGE Form 450 *review*
- Learn the basic elements of an effective agency review process.

ABOUT THIS GUIDE

This review guide was prepared by the Office of Government Ethics (OGE) as a replacement for a similar guide issued in 1993. It is intended only as a **basic introduction** for reviewers. The focus is primarily on the **mechanics** of filing and *review*, rather than identification and resolution of *conflicts of interest*, except as discussed by examples in Section III. Therefore, reviewers should seek additional training and experience, in order to perform these various functions skillfully and competently.

This guide contains five sections. **Section I**, the introduction, is followed by **Section II** on completing a confidential disclosure report form. **Section III** covers the ethics official's review of a completed form, and **Section IV** discusses some basic elements of an effective agency review process. **Section V** contains reference materials, including a **glossary**, selected *DAEOgrams* issued by OGE, and a blank OGE Form 450, with its instructions.

References herein to Sections I-V denote sections of this review guide; references to Parts I-V are to the parts of OGE Form 450.

Words and phrases that are italicized indicate that they are defined in the glossary. Bold type or underlining is used to highlight or emphasize words and phrases in the text.

RESOURCES

This review guide serves as a secondary resource for reviewers. The basic requirements for completing and processing OGE Form 450 are contained in **5 C.F.R. part 2634**, which OGE was required by Executive Order 12674 to issue. Reviewers should familiarize themselves with that regulation, particularly subpart F on the filing and review of reports, and subpart I on confidential reporting procedures.

Additionally, most agencies have **internal written procedures** on financial disclosure, required by statute, that reviewers must follow. See note following 5 C.F.R. § 2634.103(a), and the *DAEOgram* of September 3, 1992, reprinted in Section V.

WHO FILES

Each agency determines which of its positions will be designated to require the filing of confidential reports, based on the criteria outlined at 5 C.F.R. § 2634.904. This includes, among others, positions classified at GS-15 or below (or the equivalent in other pay systems) and uniformed service officers below O-7, where the agency has determined that the employee participates personally and substantially through decision or the exercise of significant judgment in contracting or procurement; administering or monitoring grants, subsidies, licenses, or other Federal benefits; regulating, auditing, or other duties directly and substantially affecting non-Federal entities. Also included are any other positions that the agency determines require filing to avoid actual or apparent *conflicts of interest*, and most *special Government employees (SGEs)*.

Positions that meet these criteria may, nonetheless, be excluded under 5 C.F.R. § 2634.905. For example, an agency may exclude positions when it determines that the possibility of a conflict is remote, or when there is a substantial degree of supervision over the position, or when the agency has an alternative procedure approved by OGE. For further guidance on designation and exclusion of filing positions, see *DAEOgram* DO-94-031 of September 14, 1994, reprinted in Section V.

FORMS

As indicated above, confidential filers should use the **new OGE Form 450**, which is reproduced and stocked locally by each agency. It consists of three pages of instructions and two disclosure pages for completion. Many of the questions that arise in completing this form are answered in the **instructions**, as well as the **examples** on the form. See *DAEOgram* DO-96-011, dated February 27, 1996, which is reprinted in Section V, for more information about this form.

Existing supplies of the green Standard Form (SF) 450, which the OGE Form 450 replaced in February 1996, may still be used until exhausted. However, filers completing the green SF 450 should be notified of changes allowed by the new OGE Form 450. In particular, they are no longer required to report information about deposit accounts in financial institutions such as banks, savings and loan associations or credit unions; *money market* funds or accounts; and U.S. Government obligations and securities. See 5 C.F.R. § 2634.907(a).

Additionally, filers who are still using the green SF 450 should be advised that they do not need to indicate whether a holding is an "excepted investment fund" or "EIF" (which denoted funds that are widely held, and widely diversified or publicly traded, and not self-directed). That terminology is no longer used for confidential filers in determining when to disclose underlying assets. Instead, the new OGE Form 450's instructions inform filers more directly when they must detail the underlying holdings of a mutual fund, retirement account, or pension plan. See *DAEOgram* DO-96-031, of June 17, 1996, which is included in Section V.

Agencies may permit filers to use **electronic software** to complete their OGE Form 450 on a computer and then print it out for signature and submission. Filers using this method can also store their data and simply update and reprint it for subsequent submissions. OGE has software available, which may be obtained by contacting OGE's Ethics Information Center or the OGE Desk Officer assigned to your agency.

Some agencies also use **supplemental or substitute forms** approved by OGE, in addition to or in lieu of OGE Form 450. This is authorized by 5 C.F.R. §§ 2634.601(b) and 2634.905(c) for agencies that have special or unique circumstances. Additionally, OGE may permit the use of a "certificate of no new interests," in lieu of an OGE Form 450, for certain annual filers. Consult your agency's procedures to determine if any of these alternatives apply.

PROCEDURES

Agency-specific procedures should be consulted on **notifying employees** that they are required to file, where they can obtain forms and assistance, and when and where they must file. Those procedures may also specify who serves as reviewing officials.

The regulation at 5 C.F.R. §§ 2634.903 and 2634.908 generally requires that **new entrants** to agency-designated positions file reports within 30 days of entering, for the preceding twelve months; and that they file annual reports thereafter as **incumbents** by October 31, for the twelve month period ending September 30. This is discussed in more detail in Section II. Consult the regulation for specific requirements and exceptions. Agencies may grant **extensions** of the due date up to 90 days for good cause, as permitted by 5 C.F.R. § 2634.903(d).

Agencies may take an adverse action or other disciplinary measures for an employee's failure to submit a report when due, filing an incomplete report, or falsifying information on the report. See **penalties** discussed in the regulation at 5 C.F.R. § 2634.701(c) and (d), and *DAEOgram* DO-95-043 of December 13, 1995, which is included in Section V.

That same *DAEOgram* also contains information on the use of **attachments** to a disclosure report in lieu of entering data directly, and the **use of official time** to complete disclosure forms.

PRIVACY

Once an OGE Form 450 is filed with the agency, it must be carefully safeguarded, to protect the filer's privacy. See 5 C.F.R. § 2634.604. The OGE Form 450 is a **confidential report**, protected under the Federal Privacy Act. It may only be used for the purposes stated in the instructions to the form. All filed OGE Form 450s should be maintained in locked cabinets and passed between offices with the utmost care, to ensure that unauthorized personnel do not have access to them.

SECTION II: Completing OGE Form 450

The ability to accurately *review* completed confidential financial disclosure reports is an essential skill for agency ethics officials, to assist filers in avoiding *conflicts of interest*. See subpart B of 5 C.F.R. part 2638. In order to develop that skill, it is first necessary to gain a better understanding of the form that you will be reviewing. With that in mind, this section will introduce you to the format of OGE Form 450, and familiarize you with the instructions and types of information requested. It will also highlight particular areas of interest and exceptions to the disclosure rules.

The section begins with instructions for completing the general information required at the top of the first page of OGE Form 450. Following that are instructions for completing each of the form's five parts. This guidance is an expanded version of the three pages of instructions attached to OGE Form 450 and the instruction notes accompanying each part of the form.

Relevant portions of the form are illustrated in this section; note the examples of disclosure entries printed in each part. An entire blank OGE Form 450, with its three pages of instructions, is included in Section V. For a sample completed OGE Form 450, see Section III, but be aware that it contains illustrative errors for purposes of the review exercise, as discussed in that section.

Note: Some of the informational guidance that follows is not found in the OGE Form 450 itself or its instructions. This occurs because the form and instructions were, of necessity, abbreviated, for simplicity and to enhance user-friendliness.

Instructions for General Information Section

| | | | |
|---|--|---|--|
| Employee's Name (Last, first, middle initial) (A) | Position/Title (B) | Grade (C) | Reporting Status: (D) <input type="checkbox"/> New entrant <input type="checkbox"/> Annual |
| Agency (E) | Branch/Unit and Address (F) | Work Phone (G) | If New Entrant (H) Date of Appointment (I) |
| Check box if special Government employee (SGE) (J) <input type="checkbox"/> | | If an SGE, Home Address (Number, Street, City, State and ZIP Code) (K) | |
| I certify that the statements I have made on this form and all attached statements are true, complete, and correct to the best of my knowledge. | | Signature of Employee (L) | Date (M) |
| Date Received by Agency (N) | On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (except as noted in "comments" box below). | Signature and Title of Supervisor/Other Intermediate Reviewer (If agency requires) (O) | Date (P) |
| Signature of Agency's Final Reviewing Official and Title (Q) | | Date (R) | Comments of Reviewing Officials (S) |
| | | | (Check box if continued on reverse) <input type="checkbox"/> |

Filers are required to enter the following information, which is illustrated by keying it to the blocks marked above:

Employee's Name (A)

Full name.

Position/Title (B)

Current position with the agency, such as "management analyst" or "contracting specialist." This information, along with pay grade information in the next block, assists the reviewer in evaluating the potential for *conflicts* between official duties and private financial interests.

Grade (C)

Current grade level (GS or comparable pay grade).

Reporting Status (D)

New Entrant - Check this box if filing for the first time in the position. (Exception: Certain employees who move directly from other filing positions may be exempt from new entrant filing. See 5 C.F.R. § 2634.903(b)(i)).

Annual - Check this box if filing as an *incumbent*. See 5 C.F.R. § 2634.903(a).

Agency (E)

Agency where the filer holds the position requiring this financial disclosure report.

Branch/Unit and Address (F)

Any branch or unit affiliation within the agency, to aid in locating the filer in connection with the conflict-of-interest *review*.

Work Phone (G)

Telephone number where the filer may be reached at work, in the event a question arises during the conflict-of-interest review.

Date of Appointment (H)

New entrants should indicate when they entered on duty in their current position, so that it can be determined whether or not their report was filed on time (ordinarily within 30 days of entering the position -- see discussion below under "General Instructions for Parts I-V," and at 5 C.F.R. § 2634.903(b)). Filers of annual reports may leave this box blank.

Check Box if Special Government Employee (SGE) (I)

Filers should check this box if they are a *special Government employee (SGE)*. Certain ethics rules and statutes are less restrictive for SGEs. Also, the filing requirements are different for SGEs, and Part V does not apply, as indicated in the discussion below under "General Instructions for Parts I-V."

For SGEs, Home Address (J)

SGEs are requested to provide their home address, since they are part-time employees and may not be as easily contacted at their agency.

Employee Certification (K)(L)

Filers must *certify* their report by signing and dating in the blocks provided. The report cannot be considered complete without such certification.

Note: The remaining blocks pertain to the review process, and are for agency use only. See Section III for additional guidance.

Date Received by Agency (M)

The agency should indicate when it received the report. This will aid in determining timeliness of filing and *review*. The agency is deemed to have received the report when the agency office where the filer is instructed to submit the report has received it from the filer. Consult agency practice to ensure that reports are promptly dated when first received by that office.

Intermediate Review (N)(O)

These blocks are provided for agencies that require an intermediate review and certification of the report prior to examination by the agency's final reviewing official. Consult the agency's procedures. Intermediate reviewers, such as a supervisor, are often in the best position to assess the potential for conflicts, because of their familiarity with filers' assigned duties.

Final Review (P)(Q)

The agency's final reviewing official must sign and date the report to *certify* that it meets the requirements set forth in paragraph (b)(1) of 5 C.F.R. § 2634.605.

Comments of Reviewing Officials (R)

Reviewers should use this block (with continuation on the reverse side) to record any exceptions to the certification statement that they make by signing in block N or P. They may also use this block to record supplementary information obtained from the filer. Additionally, reviewers may note in this block any extensions of the due date granted by the agency, and any explanation of a delay in completing the review beyond the normal 60-day period (as discussed in Section III).

General Instructions for Parts I-V

FILING DEADLINES

See 5 C.F.R. §§ 2634.903 and 2634.908.

New Entrant Reports -- Employees generally must file within 30 days of beginning duty in a designated position, **unless** they left another filing position within 30 days prior to assuming the new position, or an agency ethics official determines that they are not expected to serve more than 60 days in the new position (such as an employee who will occupy a position temporarily, in an acting capacity).

Special Government employees (SGEs), however, must file within 30 days, regardless of whether they are expected to serve more than 60 days in their position. Also, SGEs who are reappointed or redesignated for additional one-year periods, or who are appointed to terms greater than one year, must file new entrant reports again each year on the anniversary of their initial appointment. See *DAEOgram DO-95-019* of April 11, 1995, which is reprinted in Section V.

Note: Agencies may request that employees submit *new entrant* reports prior to beginning their service. SGEs who serve on advisory committees must file their reports before rendering any advice, or no later than the first meeting.

Annual Reports -- Employees in designated positions (other than *SGEs*) generally must file *incumbent* reports no later than October 31 each year. No report is required if employees (other than SGEs) performed duties in their position for no more than 60 days during the reporting period. This could occur if the employee entered a position during the last two months of the annual reporting period, or served for a limited time in an acting capacity in the position.

Note: *SGEs* are not subject to the annual reporting requirement on October 31. However, as indicated above, they file additional new entrant reports each year in which they continue to serve.

Agencies may grant **extensions** of due dates for both new entrant and annual filers up to 90 days, for good cause, under 5 C.F.R. § 2634.903(d).

REPORTING PERIODS

See 5 C.F.R. § 2634.908.

New Entrant Filers -- Their reports must cover the 12 months preceding the date of filing.

Annual Filers -- Their reports must cover the 12 months preceding September 30, or any portion thereof not covered by a new entrant report.

FORMAT

Filers should be reminded of these format considerations for OGE Form 450, in conformity with 5 C.F.R. part 2634:

- **Dollar amounts** or values are not required to be disclosed. References to dollar amounts in the instructions are only for use in determining reporting thresholds.
- **All five** parts must be completed. Exception: Part V does not apply to *new entrants* and *SGEs*, for whom the burden of tracking and disclosing gifts and reimbursements has been determined by the regulation to outweigh the potential for *conflicts*.
- If there is nothing to report in any part, check the box marked "None"; otherwise, the report will be considered incomplete or ambiguous. (This does not apply to Part V for new entrants and SGEs.)
- Parts I, II, and V require information about the filer's **spouse** and **dependent children**, which may be denoted with an S, DC or J (for jointly held items). These disclosures about a spouse and dependent children are required because their financial interests are attributed to the filer under ethics rules and laws in determining *conflicts of interest*. For exceptions in the case of divorce or separation, see 5 C.F.R. § 2634.309(c).

Note: The criminal statute on conflict of interest (18 U.S.C. § 208) uses the term "minor" child, but the standards of conduct on appearances (5 C.F.R. § 2635.502) refer more inclusively to "dependent" children for some purposes. Therefore, financial disclosure systems require filers to include interests of dependent children.

- Parts III and IV **do not require** information about the filer's spouse or *dependent children*. The invasiveness of requiring details of their positions and employment arrangements has been determined by the regulation to outweigh the potential for *conflicts* with the filer's duties.

Instructions for Part I: Assets and Income

GENERAL INSTRUCTIONS

Filers must report the following information for themselves, their spouse, and dependent children (except as indicated otherwise):

- Assets held for investment or the production of income with a *fair market value* greater than \$1,000 **at the end** of the reporting period or which accrued over \$200 in income **during** the reporting period.
- Sources of *earned income* which produced over \$200 for the filer during the reporting period.
- Sources of earned income which generated over \$1000 for the filer's spouse during the reporting period (over \$200 if *honoraria*). This higher reporting threshold for a spouse's earned income (other than honoraria) accommodates a goal of the reporting system to limit disclosures whenever possible, because of privacy concerns.

Note: Sources of earned income for dependent children need not be reported, because privacy concerns about this information have been determined by the regulation to outweigh its utility in assessing the potential for *conflicts* with the filer's duties.

Examples of Assets:

ASSETS

- . Stocks
- . Tax shelters
- . *Mutual funds*
- . Annuities
- . Trust holdings
- . Trades and businesses
- . Investment life insurance
- . Funds receivable (such as a promissory note)
- . Bonds
- . Investment real estate (with location)
- . Pensions
- . Holdings of IRAs, 401(k)s, and similar personal retirement accounts
- . *Futures and options*
- . Partnership interests
- . Collectibles held for investment (such as works of art or antiques)

Note: The underlying holdings of *IRAs*, *401(k)s* (and similar personal retirement accounts) and trusts must be reported, as those holdings are the actual investments attributed to the filer that must be tested for *conflicts of interest*. For exceptions, see the discussion below under "What Not to Report." See "Helpful Hints," below, for more information on trades and businesses, pensions, mutual funds, and limited partnerships.

INCOME

Examples of Income:

Investment Income

- . Dividends
- . Rents and royalties
- . Interest
- . Capital gains
- . Gross income from a business, distributive share of a partnership, and payments from joint business ventures or estates.

Earned Income

- . Fees
- . Salaries
- . Commissions
- . Compensation for personal services
- . *Honoraria*

Other Reportable Income

- . Retirement benefits
- . Awards and prizes

Filers **need not report** the following information, as privacy or other considerations are recognized by the regulation as outweighing its utility in assessing the potential for *conflicts*:

WHAT NOT TO REPORT

- Dollar amounts or values for any asset or income
- *A personal residence* (unless used as rental property)
- Cash deposit accounts (checking, savings, certificates of deposit, etc.) in financial institutions (such as banks, savings and loan associations, and credit unions)
- *Money market* mutual funds and accounts

**WHAT NOT
TO REPORT**
(Continued)

- U.S. Government obligations and securities, such as Treasury bonds, bills, notes, U.S. savings bonds, *GNMAs*, and *FNMA*s

Note: The preceding three bulleted items were exempted from confidential disclosure beginning in 1993. See 5 C.F.R. § 2634.907(a).

- Money owed to the filer, or to the spouse or *dependent children* of the filer, by a spouse or by a parent, sibling, or child of the filer, spouse, or dependent children
- Federal Government salary
- Federal Government retirement funds, such as the Thrift Savings Plan
- Social Security and similar Federal benefits
- Interests in assets held by a spouse or *dependent children* that meet **all of the following three conditions** (see 5 C.F.R. § 2634.309(a)(3)):
 - 1) the asset represents the spouse's or dependent children's sole financial interest or responsibility and about which the filer has no specific knowledge;
 - 2) the asset is not in any way, past or present, derived from the filer's income, assets, or activities; and
 - 3) the filer neither derives nor expects to derive any financial or economic benefit from the asset.

Note: It is ordinarily very difficult to meet these tests, especially when a filer and spouse file joint tax returns or share expenses and financial obligations.

- The underlying holdings of a **trust** that:
 - 1) was not created by the filer, spouse, or *dependent children*, and
 - 2) the holdings or sources of income of which they have no specific knowledge.

Example: A trust created by a relative from which a filer receives periodic income but has no knowledge about its assets. The name of the creator of the trust or the financial manager or trustee, and the date it was created (if known) is sufficient disclosure for these types of trusts. See 5 C.F.R. § 2634.310(b)(2).

HELPFUL HINTS

For **trades and businesses** that do not have publicly traded securities, filers must indicate the location and primary trade or business, since these interests cannot be researched by reviewers in standard investment guides.

For **pensions**, filers must indicate the name of the sponsoring employer. Additionally, if they or their spouse have control over the assets held by their pension account, they must also list those underlying investments or attach an account statement that lists them, as they are attributed to the filer and must be tested for *conflicts*.

For publicly available **mutual funds**, filers are required to indicate the name of the fund, but not the investments that the mutual fund holds in its portfolio. They must indicate the full name of the specific mutual fund in which they hold shares, not just the general family fund name. With the full name of the specific mutual fund, reviewers can determine from standard investment guides whether it is diversified and, therefore, unlikely to present *conflict* concerns. See Section III.

For other publicly available investment funds, such as publicly offered units of **limited partnerships**, the disclosure requirements are the same as for mutual funds--list the full name of the limited partnership, but not its underlying portfolio investments.

Part I: Assets and Income

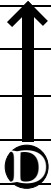
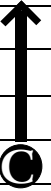
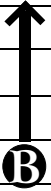
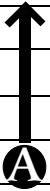
None

Identify for you, your spouse, and dependent children: 1) assets with a fair market value greater than \$1,000 at the close of the reporting period or producing income over \$200; and 2) sources of earned income such as salaries, fees, honoraria (other than U.S. Government salary or retirement benefits, such as the Thrift Savings Plan) which generated over \$200 in income during the reporting period. Earned income sources of your spouse must be reported if greater than \$1,000 (greater than \$200 for honoraria). No earned income needs to be reported for dependent children.

Assets include (but are not limited to): stocks, bonds, tax shelters, real estate, mutual funds, pensions, annuities, IRAs, trusts, commodity futures, trades and businesses, and partnership interests.

Exclude your personal residence, unless you rent it out, and deposit accounts in financial institutions. See instructions for additional exclusions.

| Assets and Income Sources (Identify specific employer, business, stock, bond, mutual fund, type/location of real estate, etc.) | | (X) if no longer held | Nature of Income over \$200 (Rent, interest, dividends, capital gains, salary, etc.) | Date (Only for honoraria) |
|--|---|-----------------------|--|---------------------------|
| Examples | Dee, Jones & Smith, Hometown, USA | X | Salary | |
| | (S) Alexandria Medical Clinic, Alexandria, VA | | Salary | |
| | Franklin Equity Mutual Fund | | Dividends/Capital Gains | |
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |



Filers are required to enter the following information, which is illustrated by keying it to the blocks marked above:

Assets and Income Sources (A)

Each asset and source of income should be separately listed.

If No Longer Held (B)

Check this block for any asset which is no longer held at the end of the reporting period, but which must still be listed because it generated over \$200 in income during the reporting period.

Nature of Income (C)

Type of income, such as rent, interest, dividends, capital gains, salary, or partnership share, if it exceeds \$200 (\$1,000 for spousal *earned income* other than *honoraria*). Filers are permitted to use initials or other recognizable abbreviations for income types, such as R to denote rent, I for interest, D for dividends, and CG for capital gains.

The type of income may assist reviewers in determining the potential for *conflicts*. For example, interest may indicate that the filer holds a bond or other debt obligation from a company, while dividends may indicate a stock or other ownership holding. As discussed in Section III, these holdings may present different conflict concerns.

Date (for Honoraria) (D)

For *honoraria*, the date services were provided (month and year). This information assists the reviewer, by isolating the time during which the filer had a financial tie to the payor of an honorarium.

Reminder: Honoraria greater than \$200 received by the filer or spouse must be reported. The \$1,000 threshold for spousal earned income does not apply to honoraria, because of special concerns about that form of income.

Instructions for Part II: Liabilities

GENERAL INSTRUCTIONS

Filers must disclose liabilities (debts) owed to any creditor by themselves, their spouse, and dependent children that exceeded \$10,000 **at any time** during the reporting period. Examples are mortgages, promissory notes, loans, and outstanding bills for services or products.

Filers **need not report** the following information, as privacy or other considerations are recognized by the regulation as outweighing its utility in assessing the potential for *conflicts*:

WHAT NOT TO REPORT

- The dollar amount of the liability
- Personal liabilities owed to a spouse, or to a parent, sibling, or child of the filer, spouse, or dependent children
- Any mortgage secured by a *personal residence* of the filer or spouse (unless used as rental property)
- Any loan secured by a personal motor vehicle, household furniture, or appliances, provided that the loan does not exceed the purchase price of the item
- Revolving charge accounts, such as credit cards, where the outstanding liability does not exceed \$10,000 **at the end** of the reporting period
- A debt of the filer's spouse or *dependent children* that meets **all of the following three conditions** (see 5 C.F.R. § 2634.309(a)(3)):
 - 1) it represents the spouse's or dependent children's sole financial interest or responsibility and about which the filer has no specific knowledge;
 - 2) it is not in any way, past or present, derived from the filer's income, assets, or activities; and
 - 3) the filer neither derives nor expects to derive any financial or economic benefit from it.

Note: It is ordinarily very difficult to meet these tests, especially when a filer and spouse file joint tax returns or share expenses and financial obligations.

Part II: Liabilities

None

Report for you, your spouse, and dependent children. Liabilities over \$10,000 owed at any time during the reporting period (over \$10,000 at the end of the period if revolving charge accounts). **Exclude** a mortgage on your personal residence unless it is rented out; loans for autos, household furniture or appliances; and liabilities owed to certain family members (see instructions).

| Creditors (Name and address) | | Type of Liability (Mortgage, promissory note, etc.) |
|------------------------------|--------------------------------------|---|
| Example | First Alaska Bank, Anchorage, Alaska | Mortgage on rental property in Anchorage, AK |
| 1 | Ⓐ ↓ | Ⓑ ↓ |
| 2 | | |
| | | |

Filers are required to enter the following information, which is illustrated by keying it to the blocks marked above:

Creditors (A)

Name and location (city and state) of each creditor (person to whom the debt is owed).

Type of Liability (B)

A description of the liability, such as mortgage, loan, or promissory note.

Instructions for Part III: Outside Positions

GENERAL INSTRUCTIONS

Employees must report for themselves all outside (non-Federal) positions which they held **at any time** during the reporting period, **whether or not compensated**. Positions include an officer, director, trustee, general partner, proprietor, representative, executor, employee, or consultant of any of the following:

- A corporation, company, firm, partnership, trust, or other business enterprise
- A non-profit organization
- A labor organization
- An educational institution
- Any other organization outside the Federal Government.

Filers **need not report** the following information, as privacy or other considerations are recognized by the regulation as outweighing its utility in assessing the potential for *conflicts*:

WHAT NOT TO REPORT

- Positions held in any religious, social, fraternal, or political entity (political party or campaign organization)
- Positions solely of an honorary nature, such as those with an emeritus designation
- Positions held by their spouse or *dependent children*.

Note: Non-Federal spousal employment must be reported in Part I if the earned income exceeds \$1,000, even though information about the position itself is not required to be shown here in Part III.

Part III: Outside Positions

None

Report any positions, whether or not compensated, which you held outside the U.S. Government during the reporting period. Positions include (but are not limited to) an employee, officer, director, trustee, general partner, proprietor, representative, executor, or consultant for a business, non-profit or labor organization, or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature. You need not report any positions of your spouse or dependent children.

| Organization (Name and address) | | Type of Organization | Position | (X) If no longer held |
|---------------------------------|-----------------------------------|----------------------|-----------|-----------------------|
| Example | Dee, Jones & Smith, Hometown, USA | Law Firm | Associate | X |
| 1 | A ↓ | B ↓ | C ↓ | D ↓ |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |

Filers are required to enter the following information, which is illustrated by keying it to the blocks marked above:

Organization (A)

Name and location (city and state) of the outside organization.

Type of Organization (B)

A general description of the organization's purpose or function.

Position (C)

The filer's title or nature of activity with the organization.

If No Longer Held (D)

Check this block if the outside position is no longer held at the end of the reporting period.

Note: Compensated positions held by the filer should also appear in Part I as sources of *earned income*, if in excess of \$200 during the reporting period.

Instructions for Part IV: Agreements and Arrangements

GENERAL

INSTRUCTIONS

Filers must disclose any agreements or arrangements held **at the end** of the reporting period for themselves concerning:

- Current or future non-Federal employment
- A leave of absence from non-Federal employment during the period of Government service
- Continuation of payments by a former non-Federal employer (including severance payments)
- Continuing participation in an employee pension (or other welfare or benefit plan) maintained by a former non-Federal employer.

WHAT NOT TO REPORT

Filers **need not report** information concerning agreements or arrangements entered into by their spouse or *dependent children*, as privacy considerations are recognized by the regulation as outweighing its utility in assessing the potential for *conflicts*. However, a spouse's pension or employment arrangement with a non-Federal employer must be reported in Part I as an asset or income source (if it meets the value thresholds), even though it is not required to be shown here in Part IV.

Part IV: Agreements and Arrangements

None

Report your agreements or arrangements for current or future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan.

You need not report agreements or arrangements of your spouse or dependent children.

| Terms of Any Agreement or Arrangement | | Parties | Date |
|---------------------------------------|---|-----------------------------------|--------|
| Example | Will receive retained pension benefits (independently managed, fully funded, defined contribution plan) | Dee, Jones & Smith, Hometown, USA | 12/95 |
| 1 | Ⓐ ↓ | Ⓑ ↓ | Ⓒ ↓ |
| 2 | | | |
| 3 | | | |

Filers are required to enter the following information, which is illustrated by keying it to the blocks marked above:

Terms of Any Agreement or Arrangement (A)

The basic elements of the agreement or arrangement, such as terms of employment, effective dates, etc. For pensions, it is not necessary to specify whether they are defined benefit or defined contribution plans. Instead, filers must disclose in Part I the underlying assets if they have control over them. See *DAEOgram* DO-96-031 of June 17, 1996, reprinted in Section V.

Parties (B)

Names of the other parties who are involved in the agreement or arrangement, and their location (city and state).

Date (C)

Date (month and year) the agreement or arrangement was made.

Instructions for Part V: Gifts and Travel Reimbursements

GENERAL INSTRUCTIONS

Note: Part V **does not apply** to *new entrants* and *special Government employees (SGEs)*, as the burden on them of tracking and disclosing gifts and reimbursements has been determined by the regulation to outweigh the potential for *conflicts*.

Filers are required to report certain gifts, in-kind travel expenses, and cash reimbursements received by themselves, their spouse, and dependent children, from sources other than the U.S. Government.

WHAT TO REPORT

Items that must be reported:

Travel-related cash reimbursements received from any one source during the reporting period totaling \$250 or more (*fair market value*), for items such as:

- .Food
- .Lodging
- .Transportation
- .Entertainment

Gifts other than cash reimbursements, totaling \$250 or more (*fair market value*) from any one source during the reporting period. This includes:

- Tangible personal property items, whether functional or for display
- In-kind travel-related items, such as tickets or free meals not involving cash reimbursements
- Anything else of monetary value, such as hospitality, gratuities, and services.

Note: Gifts and reimbursements valued at \$100 or less need not be aggregated in determining the \$250 reporting threshold from any one source.

Filers **need not report** the following information, because privacy or other considerations are recognized by the regulation as outweighing its utility in assessing the potential for *conflicts*, or because the item is not considered a gift:

**WHAT NOT
TO REPORT**

- The dollar amount or value of a gift or reimbursement
- Anything for which *fair market value* is paid by the recipient
- Anything received from a *relative*
- Bequests and other forms of inheritance
- Anything given to the filer's spouse or *dependent children* totally independent of their relationship to the filer (such as a spouse's reimbursement for travel with a private employer)
- Nonbusiness gifts of personal hospitality (such as food, lodging, or entertainment) at the donor's residence or personal premises
- Mementos of a function honoring the filer
- Anything received from a foreign government (if separately reported under the Foreign Gifts Act), the U.S. Government, D.C., State or local governments
- Food and beverages (unless consumed in connection with a gift of overnight lodging)
- Communications to the filer's office, such as subscriptions to newspapers and periodicals
- Gifts and reimbursements received during periods when the filer was not a Federal employee
- Gifts and reimbursements received by the filer's agency rather than the filer, under statutory authority, such as 31 U.S.C. § 1353.

Part V: Gifts and Travel Reimbursements

Do not complete this part if you are a new entrant or special Government employee.

None

Report for you, your spouse, and dependent children. gifts or travel reimbursements you have received from one source totaling \$250 or more. **Exclude** anything valued at \$100 or less; anything received by your spouse or dependent child totally independent of their relationship to you; anything from a relative or from the U.S. Government; anything given to your agency in connection with your official travel; and food, lodging, or entertainment received as personal hospitality at the donor's residence or premises.

| Source | Description (For travel-related items, include itinerary) | Date |
|---|---|-------|
| Example Dee, Jones & Smith, Hometown, USA | Leather briefcase as a departing gift | 12/95 |
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |

Filers are required to enter the following information, which is illustrated by keying it to the blocks marked above:

Source (A)

The name and location (city and state) for the donor of the gift or travel reimbursement.

Description (B)

The nature of the gift or travel reimbursement, such as "silver bowl," or "air transportation." Travel-related items should include a brief itinerary.

Date (C)

Date of receipt (month and year) for the gift or travel reimbursement. This information assists the reviewer, by isolating the time during which the filer had a financial tie to the donor.

SECTION III: Reviewing an OGE Form 450

Now that you are familiar with how an OGE Form 450 is organized and filled out, you can put that knowledge to use and actually *review* a completed OGE Form 450. This section discusses the review process, provides general review instructions, and concludes with an OGE Form 450 sample review exercise and sample solution notes.

WHAT IS A REVIEW?

Review is the process by which ethics officials:

- 1) examine financial disclosure reports to ensure that they are properly completed,
- 2) compare disclosures to filers' duties in order to help them avoid *conflicts of interest*, and
- 3) *certify* the reports by their signature.

THE REVIEW PROCESS

See 5 C.F.R. § 2634.605.

The first critical step in the review process is to ensure that the initial reviewer or someone at your agency has entered the **date of receipt** in the appropriate box on the first page of OGE Form 450. That date is very important in determining whether filers have submitted their reports on time and in establishing when the review clock starts for assessing compliance with the 60-day review requirement discussed below. A method should be instituted whereby reports are stamped with the date of receipt when they are first delivered to the agency office where filers have been instructed to submit them.

The cited regulation requires that reports be **reviewed within 60 days** of receipt by the agency office where filers have been instructed to submit their reports. This has generally been interpreted to mean that a report awaiting further information following an initial examination within 60 days has been reviewed in a timely manner, if reasonable efforts are being made to obtain the information. Moreover, where an agency conducts an intermediate review, it is that intermediate review, not the final one, that must be performed within 60 days.

Reviewers should maintain careful documentation, either in the "Comments of Reviewing Officials" box on the first page of OGE Form 450 or in separate file memoranda, to account for any apparent delay greater than 60 days between the initial date of receiving the report and the reviewer's certification.

Reviewers are not required to audit financial disclosure reports to determine whether disclosures are correct. They may ordinarily **take disclosures at "face value,"** unless the filer's history demonstrates otherwise, or there is an obvious omission or ambiguity, or the reviewer has independent knowledge of matters outside the report. See 5 C.F.R. § 2634.605(b)(2). Reviewers may assume that the filer has read and understood the instructions accompanying OGE Form 450 (if those instructions were provided to the filer, as should always be the case).

The regulation at 5 C.F.R. § 2634.605(b) discusses how to obtain **additional information** from a filer, if necessary because disclosures are incomplete, or when one entry is inconsistent with another, or when more facts are needed in order to perform the required *conflict-of-interest* analysis.

Example: If a filer discloses only the general family of funds rather than a specific mutual fund, or lists only the name but not the nature of activities for a family business, more information is required.

The reviewer should annotate, initial, and date any additions to OGE Form 450, based on supplemental information obtained from the filer or other sources. Such information may be recorded next to the entry itself, or in the box for "Comments of Reviewing Officials" on the first page of the form. This methodology should be supplemented by agency-specific procedures, and will be dictated in practice by available resources, location of filers and reviewers, and agency time constraints.

The regulation at 5 C.F.R. § 2634.605(b) also suggests a method for **identifying potential conflicts of interest** under ethics regulations and laws. Reviewers should focus on the standards of ethical conduct for executive branch employees, found at 5 C.F.R. part 2635, along with any supplemental agency regulations; the criminal conflict of interest statutes at 18 U.S.C. §§ 203-209; and any agency-specific statutes and regulations.

Finally, the cited regulation offers examples of **remedial action** to avoid those potential violations of ethics laws and regulations that have been identified. See also the section of the regulation on **ethics agreements**, at 5 C.F.R. part 2634, subpart H. The most common examples of remedial action are divestiture of an asset, resignation from an outside position, disqualification (*recusal*) from official action in certain matters, *waiver* under the criminal conflict statute at 18 U.S.C. § 208(b), or reassignment of duties.

When an agency deems it reasonably necessary for a filer to divest certain assets in order to perform his duties, a statute and regulation offer deferral of income tax on any resulting capital gains. In order to avail themselves of this protection, filers must carefully follow the procedures outlined in subpart J of 5 C.F.R. part 2634. In particular, they must have an approved *certificate of divestiture* granted by the Office of Government Ethics before divesting their interests. If the need for a certificate of divestiture arises, ethics officials should consult OGE for assistance as early as possible.

Once reviewers have determined that a report has been properly completed, identified possible conflicts, and ensured that the filer either has taken *remedial action* or has entered into an *ethics agreement* to avoid conflicts, the reviewer must sign and date the report. The signature serves to **certify** that, in the reviewer's opinion, the report appears to be complete and that the filer is in compliance with ethics laws and regulations (see statement printed on the form next to the reviewers' signature blocks). It is critical that, at a minimum, the final agency reviewer performs this certification; agency practice may also require the intermediate reviewer to do so. Any exceptions to the certification statement should be noted in the box marked for reviewers' comments, which may be continued on the back of the form, if necessary.

LIMITATIONS OF THIS GUIDE

As noted in Section I, the primary focus of this review guide is on the mechanics of filing and review, not *conflict of interest* identification and resolution. Those topics are beyond the scope of this guide, except as discussed briefly in this section's review exercise. Nonetheless, **identification of conflicts and their resolution help define the ultimate purpose and goal of financial disclosure, which is to assist employees in avoiding conflicts of interest. This process also helps protect the integrity of an agency's programs**, so that they can be conducted fairly and equitably, and without preferential treatment or misuse of the public's trust. Reviewers should seek appropriate training on the responsibilities of a reviewing official, so that they can perform these essential steps beyond a mere mechanical review of an OGE Form 450.

Each agency should have **internal written procedures** for filing and review of OGE Form 450, as required by statute. See note following 5 C.F.R. § 2634.103(a) and OGE *DAEOgram* of September 3, 1992, which is reprinted in Section V. Those procedures should establish guidance on collecting and tracking reports and on record maintenance, as well as who will serve as reviewing officials. Those topics are also beyond the scope of this review guide.

PREPARING TO CONDUCT A REVIEW

As noted in Section I, some agencies permit filers to use **electronic software** to complete their OGE Form 450 on a computer and then print it out for signature and submission. Software produced by the Office of Government Ethics highlights which entries have been added or deleted, as compared to an annual filer's previous report. That can be a significant aid to reviewers, allowing them to concentrate their evaluation on those entries not already reviewed in prior years.

In the course of reviewing OGE Form 450s, you will ordinarily **need the following review aids**:

- The filer's most recent previous report, for reference (not applicable to *new entrant* filers)

Note: There is no need to compare line-by-line or to seek an explanation for every variation between a current and previous report, since reviewers may ordinarily take disclosures at face value, as noted above. However, as discussed in the preceding paragraph, the previous report may be useful as a starting point, so that the reviewer can focus on entries appearing for the first time. It also can help the reviewer to discover details omitted from entries on the latest report, or to check for gaps in filing periods.

- Any *ethics agreements* entered into by the filer
- Any agency lists of contractors, grantees, regulatees, and companies that are "prohibited sources" for gifts within the meaning of 5 C.F.R. § 2635.203(d)
- The filer's position description (if available)
- Investment service guides (such as Standard & Poor's, Moody's, or Dunn & Bradstreet), for information on publicly available securities
- A current list of mutual funds (from an investment guide or any major newspaper), to aid in determining whether the specific fund name has been adequately disclosed
- 5 C.F.R. part 2634 (financial disclosure), part 2635 (standards of ethical conduct), and part 2640 (exemptions and waivers under 18 U.S.C. § 208) [the latter document is anticipated as a final rule in late 1996]
- The three pages of instructions for completing OGE Form 450, which accompany the form
- Internal agency written procedures for the confidential financial disclosure system

-
- Any agency supplemental confidential financial disclosure regulations (most agencies do not have such regulations)
 - Any agency supplemental standards of conduct regulations, which will include, among other items, any agency-wide prohibited financial holdings and any requirement for pre-approval of outside employment
 - 18 U.S.C. §§ 203-209.

We have provided instructions below, for your guidance in reviewing confidential disclosure reports generally.

Following those instructions is a sample review exercise. We have provided a completed OGE Form 450, on which you may conduct a review, to identify reporting errors and potential *conflicts of interest*. Once you have completed your review, see the sample solution notes at the end of this section.

General Review Instructions

The following part-by-part guide may be helpful in your *review* of OGE Form 450s generally, to ensure that disclosures are complete enough to test for *conflicts*.

FILER INFORMATION

- Check all blocks for completeness.
- Note whether the filer is an *SGE*. This will affect when reports must be filed, whether Part V applies, and the degree to which the regulations and statutes on conflict of interest will apply.
- Note whether the filer is a *new entrant* or an *incumbent* (annual) filer. This will affect whether Part V applies. If a new entrant, ensure that the date of appointment is indicated, in order to determine whether the report was filed on time. For an annual filer, the reviewer may wish to have available for reference any previous disclosure reports, as discussed above.
- Ensure that the filer has signed and dated the report.

REVIEWER BLOCKS

- Ensure that the appropriate date has been entered in the block for "Date Received by Agency." See discussion above in "The Review Process."
- Check for signature, date and comments of any intermediate reviewers.

PART I: ASSETS AND INCOME

- Look for either reported items or a check in the "None" box.
- Check asset descriptions for completeness, such as specific employer, nature and location of a private business or partnership, and specific names of mutual funds.
- Check to see that the type of income has been indicated.

Note: Reviewers may reasonably assume that there might be no reportable income for certain types of assets, such as futures, tax shelters, or limited partnerships. They may also use discretion in determining whether or not to seek more information where the type of income has been omitted but is obvious (such as rent for real estate, or dividends for a stock or mutual fund).

- For *honoraria*, are the dates shown (month and year that services were provided)?
- Note sources of income from outside employment. If they involve the filer (not the spouse), check to see if those sources have been further described in Part III, and determine whether any ongoing outside employment has been approved (where agency supplemental standards of conduct regulations require such approval).
- Have underlying assets of IRAs, 401(k)s (or similar personal retirement accounts), and trusts been disclosed?
- For rental property, is a location shown? Also, check to see if a corresponding mortgage is reported in Part II.
- If the filer has an *ethics agreement* to divest an asset, does the report indicate that it is no longer held (either by its omission from this report or by a check in the "No Longer Held" box)?
- Compare assets and sources of income with any prohibited or restricted holdings listed in the agency's supplemental standards of conduct regulations. Also consider whether any of the assets or income sources raise a potential *conflict* with the filer's official duties, under the standards of conduct or conflict of interest statutes. Seek further information and *remedial action*, as appropriate.

PART II: LIABILITIES

- Look for either reported items or a check in the "None" box.
- Is the name and location (city and state) for all creditors indicated?
- Is the type of liability (debt) shown, such as promissory note, mortgage, or loan?
- For mortgages, are there corresponding rental properties reported in Part I?
- Are any liabilities owed to an entity that raises a potential *conflict* with the filer's duties, under the standards of conduct or conflict of interest statutes? Seek further information and *remedial action*, as appropriate.

PART III: OUTSIDE POSITIONS

- Look for either reported items or a check in the "None" box.
- Are name and location (city and state) for the organization indicated?
- Is the organization's purpose or function stated?
- Has the filer indicated the specific position held or nature of activity with the organization?
- Has the activity been approved, if the agency's supplemental standards of conduct regulations require such approval?
- For positions that would ordinarily produce reportable *earned income*, such as an employee, consultant or director, check to see that an entry is shown in Part I.

Note: For membership on boards of directors for non-profits or professional associations, it is ordinarily reasonable to assume that there will be no earned income to report in Part I.

- If the filer has an *ethics agreement* to resign from a position, does the report indicate that such position is no longer held (either by its omission from this report or a check in the "No Longer Held" box)?
- Do the filer's positions raise a potential *conflict* with official duties, under the standards of conduct or conflict of interest statutes? Seek further information and *remedial action*, as appropriate.

PART IV: AGREEMENTS AND ARRANGEMENTS

- Look for either reported items or a check in the "None" box.
- Are the basic elements of the agreement or arrangement stated, such as employment terms, effective dates, etc.?
- Are the parties identified, with location (city and state)?
- Is a date (month and year) for the agreement or arrangement shown?
- If the agreement or arrangement is for a pension or for other payments due from a former or current employer, is that asset or source of income reported in Part I?

Note: If a filer does not show a pension in this Part IV that was already fully reported in Part I as an asset or source of income, the omission here may not be critical, unless its nature is unclear from Part I. Reviewers should use their discretion.

-
- Is the agreement or arrangement with an entity that raises a potential *conflict* with the filer's duties, under the standards of conduct or conflict of interest statutes? If so, seek further information and *remedial action*, as appropriate.

PART V: GIFTS AND TRAVEL REIMBURSEMENTS

- For those who must complete this part (annual filers, other than *SGEs*), look for either reported items or a check in the "None" box.
- Is the source of the gift or reimbursement stated (name of donor, with city and state)?
- Has the gift or reimbursement been described, including an itinerary for travel-related items?
- Is the date of receipt (month and year) indicated?
- Is the gift or travel reimbursement from an entity that raises a potential *conflict*, or from a "prohibited source" as defined in 5 C.F.R. § 2635.203(d). If so, seek further information and determine whether a gift from a "prohibited source" was acceptable under the exceptions at 5 C.F.R. § 2635.204.

OGE Form 450 Sample Review Exercise

Following is a sample completed OGE Form 450, on which you can conduct a review. When you have finished, see the sample solution notes at the end of this section, which discuss reporting errors in this example, and possible *conflicts of interest*.

Executive Branch Confidential Financial Disclosure Report

| | | | |
|---|--|--|--|
| Employee's Name (Last, first, middle initial) PRICE, Wright D. | Position/Title Computer Software Procurement Specialist | Grade GS-13 | Reporting Status: <input type="checkbox"/> New entrant <input checked="" type="checkbox"/> Annual |
| Agency Federal Purchasing Administration | Branch/Unit and Address Office of Information Resources, Wash, DC. | Work Phone (202) 555-1234 | If New Entrant, Date of Appointment |
| Check box if special Government employee (SCE) <input type="checkbox"/> | | If an SGE, Home Address (Number, Street, City, State and ZIP Code) | |
| I certify that the statements I have made on this form and all attached statements are true, complete, and correct to the best of my knowledge. | | Signature of Employee <i>Wright, D. Price</i> | Date 11/30/96 |

| | | |
|--|--|--|
| Date Received by Agency | On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (except as noted in "comments" box below). | Signature and Title of Supervisor/Other Intermediate Reviewer (if agency requires) |
| Signature of Agency's Final Reviewing Official and Title | Date | Comments of Reviewing Officials |
| (Check box if continued on reverse) <input type="checkbox"/> | | |

Part I: Assets and Income

None

Identify for you, your spouse, and dependent children: 1) assets with a fair market value greater than \$1,000 at the close of the reporting period or producing income over \$200; and 2) sources of earned income such as salaries, fees, honoraria (other than U.S. Government salary or retirement benefits, such as the Thrift Savings Plan) which generated over \$200 in income during the reporting period. Earned income sources of your spouse must be reported if greater than \$1,000 (greater than \$200 for honoraria). No earned income needs to be reported for dependent children.

Assets include (but are not limited to): stocks, bonds, tax shelters, real estate, mutual funds, pensions, annuities, IRAs, trusts, commodity/futures, trades and businesses, and partnership interests.

Exclude your personal residence, unless you rent it out, and deposit accounts in financial institutions. See instructions for additional exclusions.

| Assets and Income Sources (Identify specific employer, business, stock, bond, mutual fund, type/location of real estate, etc.) | (X) if no longer held | Nature of Income over \$200 (Rent, interest, dividends, capital gains, salary, etc.) | Date (Only for honoraria) |
|--|-----------------------|--|---------------------------|
| Examples | | Rent | |
| 1 IBM | | Salary | |
| 2 Merrill Lynch IRA | X | Salary | |
| 3 Computer Products of America, Inc. (CPA) | X | Dividends/Capital Gains | |
| 4 CPA Pension -- Wells Fargo Total Stock Fund | | D, CG | |
| 5 (S) Computer Management Sciences (CMS) | | D | |
| 6 (S) CMS 401(k) Retirement Plan | | Salary, I | |
| 7 Beach House, Ocean City, MD | | Salary | |
| 8 (DC) Trust -- Dean Witter Funds | | D | |
| 9 Assoc. of Computer Professionals | | R | |
| 10 | | I, D | |
| | | Honorarium | 5/96 |

Use copies of blank pages for continuation

Employee's Name (Last, first, middle initial)
PRICE, Wright D.

Work Phone
(202) 555-1234

Part II: Liabilities

None

Report for you, your spouse, and dependent children liabilities over \$10,000 owed at any time during the reporting period (over \$10,000 at the end of the period if revolving charge accounts). Exclude a mortgage on your personal residence unless it is rented out; loans for autos, household furniture or appliances; and liabilities owed to certain family members (see instructions).

| Creditors (Name and address) | | Type of Liability (Mortgage, promissory note, etc.) |
|------------------------------|--------------------------------------|---|
| Example | First Alaska Bank, Anchorage, Alaska | Mortgage on rental property in Anchorage, AK |
| 1 | First Am. Bank, Arlington, VA | Mortgage on rental property |
| 2 | | |
| 3 | | |

Part III: Outside Positions

None

Report any positions, whether or not compensated, which you held outside the U.S. Government during the reporting period. Positions include (but are not limited to) an employee, officer, director, trustee, general partner, proprietor, representative, executor, or consultant for a business, non-profit or labor organization, or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature. You need not report any positions of your spouse or dependent children.

| Organization (Name and address) | Type of Organization | Position | (X) If no longer held |
|---------------------------------|--|--|-----------------------|
| | | | |
| Example | Dee, Jones & Smith, Hometown, USA | Associate | X |
| 1 | Computer Products of America, Inc. (CPA) | Distributes Computer Hardware & Software | X |
| 2 | Internet Access Group, Fairfax, VA | Non-profit | |
| 3 | Northern VA Community College | Educational | |
| 4 | | | |

Part IV: Agreements and Arrangements

None

Report your agreements or arrangements for current or future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan.

You need not report agreements or arrangements of your spouse or dependent children.

| Terms of Any Agreement or Arrangement | Parties | Date |
|---------------------------------------|-----------------------------------|-------|
| | | |
| Example | Dee, Jones & Smith, Hometown, USA | 12/95 |
| 1 | Will retain company pension | 3/89 |
| 2 | | |
| 3 | | |

Part V: Gifts and Travel Reimbursements

Do not complete this part if you are a new entrant or special Government employee.

None

Report for you, your spouse, and dependent children, gifts or travel reimbursements you have received from one source totaling \$250 or more. Exclude anything valued at \$100 or less; anything received by your spouse or dependent child totally independent of their relationship to you; anything from a relative or from the U.S. Government; anything given to your agency in connection with your official travel, and food, lodging, or entertainment received as personal hospitality at the donor's residence or premises.

| Source | Description (For travel-related items, include itinerary) | Date |
|---------|---|-------|
| | | |
| Example | Dec. Jones & Smith, Hometown, USA | 12/95 |
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |

Sample Solution Notes for Review Exercise

The following review solution notes offer guidance on whether the entries on Mr. Price's OGE Form 450 are completed properly. These notes also offer a brief discussion on potential *conflicts of interest*.

Financial Disclosure Report of Wright D. Price

Filer's personal data -- The information appears to be complete. This is an annual report; the filer is not a *special Government employee*; and all applicable boxes have been filled in.

Note that the report was signed on November 30, which is thirty days after the normal due date. There is no indication on the form as to whether an extension was granted. The reviewer should consult the agency's files, computer tracking systems, or logbooks, to ascertain whether an extension was granted. If the report was filed late, without an approved extension or other adequate explanation, ethics officials should discuss with the supervisor and determine whether disciplinary action is warranted. See *DAEOgram* DO-95-043 of December 13, 1995, reprinted in Section V.

Date received by agency -- This block should have been filled in when the report was first received by the office where the filer was instructed to turn in this report. Check the form for a date stamp, or consult agency procedures, to determine when this form was received. Ensure that an appropriate date is entered in this block, before proceeding with the review. See discussion above, under "The Review Process."

Note: Since this is an annual report, the reviewer will want to have available Mr. Price's prior reports and any ethics agreements that he has with the agency. These, as well as direct contact with Mr. Price if necessary, may answer some of the needs indicated in the discussion below for more information.

Part I: Assets and Income

1) IBM -- This entry, indicating that the filer currently owns IBM stock, is complete. The type and location of business need not be shown, as this is a publicly traded company, listed in investment service guides.

Check agency regulations and statutes to discover whether stock in a company such as IBM that manufactures computer equipment may be a prohibited holding for employees of the Federal Purchasing Administration.

Even if IBM stock is not a prohibited holding, it will present a *conflict* with the filer's specific duties in computer software procurement, if matters that he works on could directly and predictably affect IBM and therefore the value of its stock (see 18 U.S.C. § 208 and 5 C.F.R. part 2635, subpart D). The reviewer needs to determine whether Mr. Price should have divested this stock, or whether he has an agreement to *recuse* himself from matters where IBM is a potential source, or whether the agency has granted a *waiver*.

2) Merrill Lynch IRA -- This entry is not complete, so the reviewer must seek additional information. Underlying holdings of an *IRA* must be disclosed. There could be a variety of assets held, such as stocks, bonds, mutual funds, cash accounts and other investments. Without knowing what is in the IRA, reviewers cannot determine whether there are potential *conflicts* with Mr. Price's duties. He should have periodic statements from Merrill Lynch, detailing what he holds; those statements may be attached, or he may choose to list the items directly on OGE Form 450.

3) Computer Products of America, Inc. (CPA) -- This entry is ambiguous; it is unclear whether "no longer held" refers just to an employment position, or also to company bonds or an IOU that are producing interest income. The additional entry in Part III of the form tells the reviewer that Mr. Price has terminated his employment with CPA, but he may still be a creditor of CPA. The reviewer should seek clarification.

If it is determined that Mr. Price retains CPA bonds or has a promissory note from CPA, this needs to be tested for a potential *conflict* with his official duties (see 18 U.S.C. § 208 and 5 C.F.R. part 2635, subpart D). The description of CPA in Parts III and IV reveals that it distributes computer hardware and software in the local area, which may conflict with his current Government duties. A creditor relationship, however, by holding bonds or a promissory note, is not as direct a tie to the financial profitability of a company as is the ownership of company stock. Therefore, these holdings might not be directly and predictably affected by procurement matters that Mr. Price works on.

A company's debt obligation will ordinarily only create a conflict for the filer if official matters that the filer works on could affect the company's inclination or ability to honor its contractual promise to its creditor. Thus, while the filer's IBM stock listed in entry 1 was presumed to create a conflict because it is an ownership interest (which is considered to be directly affected by matters affecting the company's profits), the creditor relationship with CPA does not necessarily create such a conflict. See discussion in the preamble to the standards of conduct regulation, at 57 Fed. Reg. 35023 of August 7, 1992.

Even if it is determined that there is no *conflict* under 18 U.S.C. § 208 with CPA, Mr. Price may still need to take *remedial action* (such as *recusal*) because of appearance concerns under the standards of conduct, relating to either his past employment with CPA or any current creditor relationship (see 5 C.F.R. part 2635, subpart E).

4) CPA, Inc. Pension, which holds Wells Fargo Total Stock Fund -- This entry discloses Mr. Price's pension, including its underlying asset. It is complete, except that it omits the type of income. The reviewer may use discretion, however, and conclude that there is no need to seek more information about that omission; it can reasonably be assumed that the type of income will be dividends and/or capital gains from this mutual fund.

Since this is apparently a diversified fund, its holdings are not treated as presenting a *conflict*, under standard ethics practice and under guidelines in OGE's regulation on exemptions from 18 U.S.C. § 208, which will appear at 5 C.F.R. part 2640 (anticipated in late 1996).

But does the pension represent a continuing tie to CPA that might raise conflict concerns? Mr. Price appears to have control over investments in this pension, since he has disclosed the underlying holding. This suggests that it is the type known generally as a defined contribution plan, where the retirement benefit will depend on the performance of each employee's account holdings, and the employer does not guarantee an amount. Also, since Mr. Price has left this employment, CPA will not likely be making further contributions to the account (assuming it had been making contributions along with the employee). Therefore, it appears that this pension will not create a continuing financial tie to CPA, for conflict purposes.

[Contrast with a pension where the employee does not have control over investments in the pension account, and the company does have an obligation to ensure an amount of retirement income. That type of plan is known generally as a defined benefit plan, and it would likely create a continuing tie to the employer sponsor. However, even that type of pension will not be viewed as creating a conflict with the sponsor under 18 U.S.C. § 208, unless it can be said that Government matters on which the employee works could directly and predictably affect the sponsor's ability or inclination to pay benefits when due. The pension is considered a company obligation, whose value will not ordinarily be as directly tied to the company's profitability as stock would be. This is more like the debt obligation discussed in entry 3.]

5) (S) Computer Management Sciences (CMS) -- This entry appears to be complete. There is no need for the filer to indicate the type of business and location, as this is a publicly traded company, listed in investment guides as developing custom software.

Mr. Price's wife's ongoing employment with CMS will need to be examined, to ensure that Government matters on which Mr. Price works will not directly and predictably affect her salary or employment status. If Mr. Price's duties do present such a *conflict*, appropriate *remedial action* will be required, under 18 U.S.C. § 208, such as *recusal* or a request for a *waiver* (see 5 C.F.R. part 2635, subpart D). There may also be appearance concerns under the standards of conduct (5 C.F.R. part 2635, subpart E) when a spouse's employer is a party (or represents one) in an official matter in which the Government employee is involved.

6) (S) CMS 401(k) retirement plan -- Like the IRA in entry 2, this disclosure is not complete; the underlying holdings need to be disclosed, as the filer's wife will have control over her 401(k) account, and its holdings must be tested for potential *conflicts*.

This plan may also represent a continuing financial tie to CMS, the plan's sponsor, as it may be making contributions to Mrs. Price's account during her employment with them. That tie should be considered along with the discussion in entry 5, in deciding whether Mr. Price may need to take *remedial action* to avoid conflicts with CMS under 18 U.S.C. § 208 or the standards of conduct.

7) Beach house -- This entry appears to be complete. Also, there is a corresponding entry in Part II for a mortgage on this property. It does not appear that this asset presents a *conflict* with Mr. Price's duties.

8) (DC) Trust - Dean Witter Funds -- This entry is not complete, because it does not specify which funds with Dean Witter are held in this trust account for the filer's *dependent children*. Without that information, it is not certain whether these funds are diversified or whether they may be sector funds that concentrate in stock of computer companies. If it is determined that they are diversified, then their holdings will not ordinarily present a *conflict*, under standard ethics practice and under guidelines in OGE's regulation on exemptions from 18 U.S.C. § 208 which will appear at 5 C.F.R. part 2640 (anticipated in late 1996).

9) Assoc. of Computer Professionals -- This entry for an honorarium appears to be complete. It is unlikely that Mr. Price's procurement duties will present conflicts with this professional association.

Part II: Liabilities

1) First Am. Bank -- This entry for a mortgage appears to be complete, corresponding to the entry for rental property in Part I. It is not likely that Mr. Price's duties present a conflict with respect to this mortgage through a commercial bank.

Part III: Outside Positions

1) CPA, Inc. -- This entry provides further details for the entry in Part I. It appears to be complete, except for location of the business, but that is shown in Part IV. As the discussion for Part I suggests, this former position could present appearance concerns under the standards of conduct, requiring *remedial action*.

2) Internet Access Group -- This entry reports a current position as a director. As discussed above under "General Review Instructions," it may be reasonable to assume that there are no director fees to report in Part I for this non-profit entity.

The entry is not complete, however. The type of organization needs to be more fully described, in order to determine whether it might present a *conflict* with Mr. Price's duties. If it is a hobby group or political interest group, it would not likely be of concern. If instead it operates a business that sells Government access to the Internet, then the reviewer should determine whether this could relate to Mr. Price's duties. That could raise concerns under 18 U.S.C. § 208, as the financial interests of an organization that a Government employee serves as a director are imputed to him for conflict purposes (see 5 C.F.R. part 2635, subpart D).

3) Northern Va. Community College -- This entry reports a current position as a part-time instructor. It suggests that an entry is required in Part I to report earned income, and in Part IV to explain the details of this employment arrangement (such as location, courses taught, and hours). The reviewer should seek more information, and also determine whether this outside activity has been approved by the agency, if so required, and whether it is permissible under the restrictions on outside activity at 5 C.F.R. part 2635, subpart H.

Part IV: Agreements and Arrangements

1) CPA, Inc. -- This entry reports that Mr. Price will retain his pension with CPA. The *conflict* analysis was discussed above in Part I.

2) Missing is an entry with more details about Mr. Price's arrangement with Northern Va. Community College as a part-time instructor. The reviewer should obtain this information, to help resolve the issues raised above in Part III.

Part V: Gifts and Travel Reimbursements

The reviewer will need to contact Mr. Price, to determine whether he intended to mark the none box for this part, or whether he neglected to disclose something or mistakenly thought that Part V did not apply to him.

NOTES

SECTION IV: Elements of An Effective Agency Review Process

After you *review* several confidential financial disclosure reports, not only will you be more comfortable with the form and how it is reviewed, but you should also have some general understanding of your agency's review process. You may see a number of patterns beginning to emerge. For example, are filers routinely submitting their reports late? Are the instances of reported spousal employment unusually low? Are there any recurring technical errors? Do employees report outside activities that have not been approved, if required by your agency? Do filers over-report, by disclosing dollar amounts, earned income sources for *dependent children*, bank accounts, *personal residences*, etc? These and other recurring errors may suggest the need for better agency instructions and training for filers.

For assistance in establishing an effective agency review process, consult your agency's internal written procedures, required by statute (see note following 5 C.F.R. § 2634.103(a), and *DAEOgram* of September 3, 1992, which is reprinted in Section V).

An effective agency review process should ordinarily include the following basic elements, at a minimum:

- Adequate mechanisms to encourage filers to submit their reports on time, such as a schedule for distributing forms and guidance to filers, with follow-up reminders.

Note: Some agencies fail to collect *new entrant* reports within 30 days of an employee's entering a filer position, as required by the regulation, but instead wait until the next annual filing cycle due date of October 31. This may expose the employee to potential conflicts of interest for several months after entering the position, without the benefit of a financial disclosure report having been reviewed by ethics officials. Steps should be taken to ensure that new entrant filers are identified and informed of the requirement to file reports in a timely manner. Reasonable exceptions may be made by the agency for filers who enter a position late in the annual filing period. For example, an ethics official could grant an extension of the due date for the new entrant report, and then permit the filer to submit a combined new entrant/annual report on October 31. Careful documentation is required.

-
- Agency-provided supplemental instructions for filers, to help eliminate technical errors on reports.
 - Documentation of any extensions of the due date granted by the agency, such as written correspondence, E-mail, logbooks, or computer tracking systems.
 - Initial reviews conducted within 60 days of submission. As discussed in "The Review Process" in Section III, a report is considered reviewed if it has been examined and is legitimately awaiting further information.
 - Careful notations of changes to the report by reviewers, including initials and date, based on examination of a prior report or any discussions with the filer or other source.
 - Documentation of any *recusals*, divestitures, *waivers*, and other *ethics agreements*, and procedures for ensuring compliance with those undertakings.
 - A tracking procedure to ensure that all individuals on the master list have filed, to identify delinquent filers, and to monitor the status of reviews.
 - A standardized agency review sheet or set of guidelines used to review each report, along with any lists of agency contractors, grantees, regulatees, and companies that are "prohibited sources" of gifts under 5 C.F.R. § 2635.203(d) or in which agency employees are prohibited from having ownership interests.
 - A method for comparison of the filer's financial interests with a position description.
 - A file system that maintains all OGE Form 450s and related documents together for each filer.
 - A method for handling completed OGE Form 450s that ensures protection of **privacy**.

A special reminder about privacy: As indicated in Section I, once an OGE Form 450 is filed with the agency, it must be carefully safeguarded, to protect the filer's privacy. See 5 C.F.R. § 2634.604. The OGE Form 450 is a **confidential report**, protected under the Federal Privacy Act. It may only be used for the purposes stated in the instructions to the form. All filed OGE Form 450s should be maintained in locked cabinets and passed between offices with the utmost care, to ensure that unauthorized personnel do not obtain them. Each reviewing official and clerical staff member who has access to confidential reports in the course of their duties should be cautioned about the sensitive and personal nature of the information contained on OGE Form 450s.

SECTION V: Reference Materials

This section contains a glossary of terms that are italicized throughout the preceding sections, a compendium of selected DAEOgrams referred to throughout this guide, and a blank OGE Form 450 (with instructions).

Glossary (keyed to italicized words in text)

Certificate of divestiture (CD) -- a document issued by the Office of Government Ethics to ease the tax burden when employees (and other eligible persons such as their spouse and minor/dependent children) are required by their agency to dispose of an asset in order to avoid a *conflict of interest*. The CD allows deferment of income tax on capital gains (by delaying recognition of gain) from a sale. CDs are issued under authority of the Ethics Reform Act of 1989, found at 26 U.S.C. 1043. See 5 C.F.R. part 2634, subpart J, for procedural guidance which must be followed carefully in order to ensure that the Internal Revenue Service will honor the certificate.

Certify -- the process by which reviewing officials sign and date a financial disclosure report to express their opinion that it is complete and that the filer is in compliance with *conflict of interest* laws and regulations; also, the filer's signature and date, stating that the information disclosed is true, complete, and correct.

Conflict of interest (or Conflict) -- a potential violation of certain laws and regulations that restrict the conduct of Government employees, particularly the criminal statute at 18 U.S.C. § 208, the standards of conduct at 5 C.F.R. part 2635, and related statutes and standards applicable to specific agencies. These laws and regulations define what is considered to present a conflict (incompatibility), or an appearance of a conflict, between Government employees' official duties and their outside financial interests and affiliations (as well as certain financial interests of their spouse, minor or *dependent children*, outside employers and other entities). Also covered by the laws and regulations governing employee conduct and sometimes included in the concept of "conflict of interest" are matters such as receipt of gifts, improper supplementation of Government salary (18 U.S.C. § 209), outside activities, impartiality, seeking non-Federal employment, and misuse of Government position.

DAEOgram -- periodic memoranda issued by the Office of Government Ethics to DAEOs (designated agency ethics officials), which offer guidance or interpretation of statutes and regulations on conflict of interest, financial disclosure, ethics training or other related subjects.

Dependent children -- a son, daughter, stepson, or stepdaughter who is: (1) unmarried, under age 21, and living in the household of the filer, or (2) a dependent within the meaning of the Internal Revenue Code at 26 U.S.C. § 152.

Earned income -- wages, salaries, *honoraria*, commissions, professional fees, and other forms of compensation for services. Contrast with investment or "unearned" income, which is income realized from investments, such as interest, dividends, capital gains, rents, and royalties.

Ethics agreement -- an arrangement, either oral or written, that employees enter into with their agency, whereby they agree to take certain steps to alleviate an actual or apparent *conflict of interest*. These steps may include such actions as divestiture of an asset, resignation from an outside position, *recusal* (disqualification) from official acts in certain matters, requesting a *waiver* under the criminal conflict-of-interest statute at 18 U.S.C. § 208(b), or reassignment of duties. See 5 C.F.R. part 2634, subpart H.

FNMAs -- securities issued by the Federal National Mortgage Association (Fannie Mae).

Fair market value -- the value of an asset or gift, as determined by one of several alternative methods, such as good faith estimate, purchase price, recent appraisal, assessed value for tax purposes, face value for bonds, net worth or equity value for a business, currently listed value or year-end "book" or exchange value for stock, retail price for gifts, or actual amount for reimbursements.

401(k) retirement account -- an arrangement permitted under the Internal Revenue Code by which an employee places pre-tax earnings and any matching employer contributions into an account, and selects various investment holdings or categories of investments.

Futures -- contracts or agreements obligating the holder to buy or sell a commodity (such as agricultural products, metals, and energy fuels) or a financial instrument at a stipulated price, quantity and time.

GNMAs -- securities issued by the Government National Mortgage Association (Ginnie Mae).

Honoraria -- payments of money or anything of value for an appearance, speech, or article, less any necessary travel expenses.

Incumbent -- an employee who is currently serving in a Government position and may be required to file an annual financial disclosure report.

IRA -- an individual retirement account, designated as tax-deferred under applicable rules of the Internal Revenue Service, and through which one may hold various investments.

Money market -- a type of *mutual fund* with low-risk investments, such as Government securities, certificates of deposit, and high-quality bank or corporate obligations; also, a type of account with a financial institution that yields money market rates of return.

Mutual fund -- a portfolio of stocks, bonds, *futures*, *options*, *money market* instruments, or other securities, that is created and managed as an investment company, and registered with the Securities and Exchange Commission. Mutual funds sell shares to investors and pool the money to purchase investments.

New entrant -- an employee who is entering a Government position and may be required to file a beginning financial disclosure report; also, the beginning report filed by such employee.

Options -- contracts or agreements giving the holder the right (but not the legal obligation, as with *futures*) to buy or sell a commodity (such as agricultural products, metals, and energy fuels) or a financial instrument or stock at a stipulated price, quantity and time.

Personal residence -- real property (land and structures thereon) used exclusively as a private dwelling by the filer or spouse, which is not rented out during any portion of the reporting period. The term is not limited to one's domicile; there may be more than one personal residence, including a vacation home.

Recusal -- steps taken by employees (also called disqualification), often as a result of an *ethics agreement*, to avoid acting in official matters wherein they have a financial interest (under *conflict of interest* rules) because of stock ownership, outside employment, or other financial ties to entities involved in the official matter. These steps should include a list of the types of matters requiring recusal, who will act in place of the disqualified employee, and how matters will be screened to avoid the employee's inadvertent participation.

Relative -- an individual who is related to a financial disclosure report filer as father, mother, son, daughter, brother, sister, uncle, aunt, great uncle, great aunt, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or who is the grandfather or grandmother of the spouse of the filer, or who is the fiance or fiancee of the filer. This definition, based in statute, is found at 5 C. F. R. § 2634.105(o).

Remedial action -- steps taken to alleviate a potential *conflict of interest*. See the definition of *ethics agreements* for examples.

Review -- the process by which ethics officials: 1) examine financial disclosures report to ensure that they are properly completed, 2) compare disclosures to filers' duties in order to help them avoid *conflicts of interest*, and 3) *certify* the reports by their signature.

Special Government employee (SGE) -- defined at 18 U.S.C. § 202 as an officer or employee who is retained, designated, appointed, or employed to perform temporary duties, with or without compensation, for not to exceed 130 days during any period of 365 consecutive days, either on a full-time or intermittent basis.

Waiver -- a written determination by an employee's appointing official, pursuant to 18 U.S.C. § 208(b)(1) or (b)(3), that the conflict-of-interest statute (18 U.S.C. § 208) will not apply to participation in certain matters. For (b)(1) waivers, the official must be able to conclude that the employee's financial interests are not so substantial as to be deemed likely to affect the integrity of services expected. For (b)(3) waivers, which apply only to *special Government employees* serving on advisory committees, the official must be able to conclude that the need for the individual's services outweighs the potential for *conflict*. See regulatory guidance, which OGE anticipates publishing in late 1996, at 5 C.F.R. part 2640, subpart C.

Selected DAEOgrams

September 3, 1992

MEMORANDUM FOR DESIGNATED AGENCY ETHICS OFFICIALS

FROM: Stephen D. Potts
Director, Office of Government Ethics

SUBJECT: Developing written procedures for the public and
confidential financial disclosure systems

Pursuant to Section 402(d)(1) of the Ethics in Government Act of 1978, as amended, the Director of OGE is required to ensure that each executive branch agency establish written procedures for collecting, reviewing, evaluating, and where applicable, making publicly available, financial disclosure reports filed by the agency's officers and employees. This memorandum provides guidelines for developing written procedures required by that section.

Written procedures must be consistent with the new uniform regulation on financial disclosure (57 FR 11800-11830, of April 7, 1992). Agencies may develop a single set of procedures covering the public and confidential financial disclosure systems, or separate procedures for each system. The procedures should also cover any alternative or supplemental reporting formats approved by OGE. Additionally, agencies should describe any special procedures to be used by component organizations, bureaus, regional and field offices. Agencies should address the following topics in these written procedures:

- Identifying incumbent, new entrant and termination (public reports only) report filers, including a determination of who will be responsible for identifying filers and maintaining and updating master listings of filers. For the confidential system, identifying officials who will designate positions for filing and how the designations will be documented.
- Distributing blank report forms (SF 278 and SF 450).
- Filing instructions. (Where and when to file reports, including any internal agency due dates).
- Identifying who filers should contact for assistance in completing the reports.
- Requesting and granting individual filing extensions from the agency and OGE and announcing blanket extensions for groups of employees or the entire agency.
- Granting exclusions from the filing requirements, including how to obtain approval from OGE for exclusions from the public financial disclosure requirements.

-
- Designating officials authorized to review and certify reports.
 - Reviewing process (i.e. for completeness, conflicts of interest, violations of law, regulation or executive order).
 - Levels of review and approval.
 - Obtaining additional information from the filer when the report is incomplete, ambiguous, or raises conflict of interest issues and establishing an allowable timeframe within which the filer must provide the additional information.
 - Amending and revising reports based on additional information obtained from the filer.
 - Maintaining custody of reports.
 - Providing for public access to public financial disclosure reports and security for confidential financial disclosure reports.
 - Requiring remedial actions to resolve conflicts of interest or violations of laws, regulations or executive orders.
 - Pursuing administrative or disciplinary actions where appropriate.
 - Following-up on delinquent reports.
 - Collecting the \$200 late filing fee and requesting waivers of the \$200 late filing fee (public reports only).

Agencies are not required to submit these procedures for OGE review or approval. Additionally, because these written procedures should establish the agency's internal procedural guidance, they should not be submitted to OGE as part of any agency supplemental regulations to the uniform financial disclosure regulation to be codified at 5 C.F.R. Part 2634 (57 FR 11800-11830, April 7, 1992) or the standards of conduct to be codified at 5 C.F.R. Part 2635 (57 FR 35006-35067, August 7, 1992). In most cases, these written procedures should eliminate the need for supplemental regulations.

Please note that each agency's written procedures will be examined during OGE's agency ethics program reviews in order to ensure that they are in conformance with all applicable laws, regulations and executive orders as required by the Act. However, each agency will determine who will issue these procedures, the format that will be used and who should receive them. You may direct any questions on developing these internal written procedures to your OGE desk officer.

September 14, 1994
DO-94-031

MEMORANDUM

TO: Designated Agency Ethics Officials

FROM: Stephen D. Potts
Director, Office of Government Ethics

SUBJECT: Improving the confidential financial disclosure system

Over the past several months, the Office of Government Ethics' (OGE's) Office of Program Assistance and Review has been conducting a study to determine the effectiveness of the confidential financial disclosure system. After interviewing ethics officials at 75 agencies and analyzing their comments, we believe that a number of improvements should be instituted.

The most consistent concern which agencies expressed about the system was the process of designating positions in which employees are required to file an SF 450. While the 1992 regulation offered greater flexibility to agencies, it had the unintended effect of increasing the number of filers. In order to correct this over-designation and to insure that only those employees whose duties present potential conflicts have to file, we strongly urge agencies to reevaluate their designations. If you want to accomplish this in connection with the upcoming annual filing cycle on October 31, you may grant a blanket extension of the due date, under your authority in 5 C.F.R. § 2634.903(d), while you are performing that reevaluation. Some agencies, however, may find this task more time-consuming and will need to postpone their reevaluation of designations until next year's filing.

In reevaluating which positions require confidential disclosure, consider the following guidance:

- For those positions involving responsibilities enumerated in 5 C.F.R. § 2634.904(a)(1), the regulation compels designation only if the employee will be required to participate **personally and substantially** through decision or the exercise of significant judgment. For assistance with the terms "personal and substantial," see the definitions at 5 C.F.R. §§ 2635.402(b)(4) and 2637.201(d). Additionally, the exclusion criteria in § 2634.905 should be considered in conjunction with the designation process, to eliminate designation of positions where, for example, there is a substantial degree of supervision or only a remote possibility of a conflict of interest. Thus, not all employees who must sign a procurement integrity certification under the Office of Federal Procurement Policy Act must also be required to file a confidential financial disclosure report. Agencies may use an appropriate demarcation, such as a position's monetary level of procurement authority, a de facto pay grade floor, or degree of supervision over the position.

-
- For positions being designated under the more general criteria in 5 C.F.R. § 2634.904(a)(2), designations should be limited to those pay grades where the duties and responsibilities **clearly** make filing necessary and relevant. As a concrete example, I have recently reviewed our filer designations at OGE and have determined that those desk officers, management analysts, and attorneys who have previously been designated for filing under § 2634.904(a)(2) but who do not have supervisory responsibilities will no longer be required to file. Applying the designation criteria in § 2634.904(a)(2) and the exclusion criteria in § 2634.905, I no longer believe that employees in these positions need to file, because the possibility of a conflict of interest in their work is remote and because there is a substantial degree of supervision and review over their positions. This cutoff at the supervisor level may not be suitable for all agencies or for all positions. As other alternatives, agencies may wish to establish de facto pay grade floors or limit designations for certain positions to those with discrete levels of technical responsibility.

The other major concerns expressed by agency ethics officials during our study centered on the degree and nature of required disclosures. I believe that the experience which we have gained over the past two years with the new confidential disclosure system, coupled with our recent study, supports the need for some changes in this regard. However, I want to insure that agencies have a voice in this reconsideration process. Therefore, I plan to hold one or more brown bag lunches this fall to specifically consider appropriate policy changes to the substantive disclosure requirements of the confidential system. This may ultimately lead to regulatory amendments, as well as revisions to the SF 450. In the interim, please continue to use the current SF 450 and any alternative or supplementary systems which OGE has previously approved for your agency. For any questions that arise, please consult with your OGE desk officer.

I look forward to working with you in improving our confidential financial disclosure system, so that it will continue to serve as an effective tool in conflict prevention and counseling.

April 11, 1995
DO-95-019

MEMORANDUM

TO: Designated Agency Ethics Officials

FROM: Stephen D. Potts
Director, Office of Government Ethics

SUBJECT: Confidential financial disclosure and special Government employees serving in a position for more than one year

BACKGROUND

A special Government employee (SGE) is defined at 18 U.S.C. § 202 as an officer or employee who is to perform temporary duties "with or without compensation, for not to exceed one hundred and thirty days during any period of three hundred and sixty-five consecutive days...." Based on this statutory definition and long-established personnel practice, it is our understanding that an individual is appointed with SGE status for one-year increments, and that for each such increment the agency must estimate whether the appointee will serve not more than 130 days in the following 365 days. If the agency does not formally reappoint an SGE who continues to serve after one year, it must at least redesignate the appointee as an SGE by reestimating the number of days' anticipated service during the following year. See, for example, Office of Government Ethics (OGE) Informal Advisory Letter 81 x 24 (July 23, 1981).

Against that background, the regulation on financial disclosure was written to require that all SGEs who are confidential filers complete a new entrant report not only when they are initially appointed but also upon each reappointment or redesignation as an SGE (5 C.F.R. § 2634.903(b)). This ensures continuous disclosure coverage for SGEs who serve longer than one year, since the separate regulatory requirement to file annual incumbent reports does not apply to them (5 C.F.R. § 2634.903(a)).

TERM APPOINTEES

After publishing the financial disclosure regulation in 1992, we discovered that some SGEs were being appointed to terms of more than one year for service on advisory committees or other similar groups, but not being reappointed or redesignated each year as SGEs with a new estimate of days to be served. In order to ensure that they continue to be covered as confidential filers, we commented in our DAEOgram of October 19, 1992, that these "term" SGEs should file a report on each anniversary of their original appointment, the same as an SGE who is formally reappointed or redesignated.

That DAEOgram also suggested that we might amend the final regulation to more clearly specify this requirement. We do not now believe, however, that such an amendment is necessary. The regulation explicitly requires SGEs to file a confidential financial disclosure report upon reappointment or redesignation, and agencies should be reappointing or redesignating term SGEs each year on the anniversary of their original appointment, as discussed above.

DUE DATES

Some agencies have indicated to us recently that it is quite cumbersome to collect additional new entrant reports on the anniversary of an SGE's initial appointment, because that date will vary for each SGE. Recognizing this problem, we have no objection if an agency wishes to collect follow-on new entrant reports simultaneously once each year for all its term SGEs or for groups of term SGEs such as specific advisory committees. This flexibility may also help to promote the purpose of confidential financial disclosure reports by aligning their due dates with a particular meeting of an advisory committee. Agencies do not need to seek further specific authorization from OGE for this limited procedural change.

Follow-on new entrant reports of term SGEs should cover the preceding twelve months from the date of each filing, as required by 5 C.F.R. § 2634.908(b). Any resulting gap in continuity between reports is outweighed by the benefits of flexibility with filing dates which this DAEOgram provides for term SGEs.

December 13, 1995
DO-95-043

MEMORANDUM

TO: Designated Agency Ethics Officials

FROM: Stephen D. Potts
Director, Office of Government Ethics

SUBJECT: Financial disclosure guidance

This memorandum offers guidance on several recent questions about the public and confidential financial disclosure systems.

Use of Attachments in Lieu of Entering Data Directly on Forms

Some filers have questioned why they are not being allowed to attach account statements or other printed information in lieu of recopying the data onto the disclosure form. The Office of Government Ethics (OGE) has advised them that the regulation at 5 C.F.R. § 2634.311(c) specifically allows disclosure in that manner, so long as the material clearly and concisely reports all information required by the relevant part of the form. This applies to both the confidential and the public systems. They must also sign in the designated box on the form's cover sheet, by which they certify the accuracy of information on the form "and all attached statements."

Use of Official Time to Complete Financial Disclosure Reports

Some filers have complained that they are not permitted to prepare their financial disclosure reports on official time. While the regulation does not speak to this issue, we have advised them that, because completion of the SF 450 or SF 278 is a requirement of their Government position, they should be allowed to use reasonable periods of official time, in amounts to be determined by their agency.

Use of Standard Forms by Persons Who are Not Government Employees

Some agencies have inquired about using the standard confidential financial disclosure form (SF 450) to collect information from persons who are not Government employees, such as outside contractors or members of advisory committees who are appointed to represent outside interests. After consulting with agencies responsible for administering Governmentwide forms and the Freedom of Information/Privacy Acts, we have determined that the SF 450 should only be used by persons who are current or prospective Government employees. Use by others would exceed the Privacy Act and paperwork reduction purposes stated on the form. Also, such use would be outside the authority of the relevant Privacy Act system of records, the Ethics in Government Act, and Executive Order 12674.

Superseded Regulations

Agency regulations on the confidential financial disclosure system administered by OGE were superseded as of October 1992, by the new uniform regulation (5 C.F.R. part 2634). Because those agency regulations became ineffective at that time, agencies should have taken steps to remove them from the Code of Federal Regulations. See OGE's DAEOgrams dated April 9, June 25, and August 25, 1992, and the uniform regulation's preamble. We are discovering that some agencies have not yet revoked their superseded regulations, thereby creating confusion for employees. Revocation will require a submission to the Federal Register, which, as indicated in our DAEOgram of June 25, 1992, does not need prior OGE approval.

If an agency wishes to retain a superseded regulation or a portion thereof, that will require prior OGE approval. Criteria in 5 C.F.R. § 2634.103 allow such regulations only in special or unique circumstances. In most instances, an agency's internal written procedures pursuant to 5 U.S.C. app. § 402(d)(1) will be sufficient, without a supplemental regulation.

Enforcement Against Delinquent Filers

A number of agencies have asked for guidance on how to compel filers to submit disclosure reports when due. The regulation at subpart G of 5 C.F.R. part 2634 details the appropriate enforcement methods specified at 5 U.S.C. app. § 104. In addition to the civil remedy and late filing fee for the public system, agencies may take disciplinary action (such as reprimand, suspension, demotion, or removal) in accordance with personnel laws and regulations, against any individual for failing to file public or confidential reports or for filing such reports late.

Agencies may approach these delinquencies just as they would any other misconduct (such as insubordination or failure of employees to carry out the requirements of their Government position). This Office has not attempted to prescribe a table of recommended disciplinary actions, nor would it be appropriate for us to do so. Each case is unique and should be resolved under existing personnel rules.

[Remainder of this DAEOgram has not been reprinted here, as not relevant to the confidential disclosure system.]

February 27, 1996
DO-96-011

MEMORANDUM

TO: Designated Agency Ethics Officials

FROM: Stephen D. Potts
Director, Office of Government Ethics

SUBJECT: New Confidential Financial Disclosure Form (OGE Form 450)

Attached is the new Office of Government Ethics (OGE) Form 450, which replaces the green SF 450. It is now ready for use as the primary means of collecting confidential disclosure reports in the executive branch under subpart I of 5 C.F.R. part 2634, as authorized by section 107(a) of the Ethics in Government Act and Executive Order 12674.

A draft of OGE Form 450 was circulated by DAEOgram on April 20, 1995, and we provided notice in the Federal Register on September 1 and December 6, 1995. We made clarifications to the draft, based on comments received, and the form has now received final clearance through the Office of Management and Budget, under the Paperwork Reduction Act.

The primary purpose of revising the SF 450 and replacing it with OGE Form 450 was to incorporate the 1993 regulatory change that eliminated reporting of deposit accounts, money market funds and accounts, and U.S. Government obligations and securities. The new form also rearranges and expands instructions, gives examples, makes minor changes to the personal data sections, provides more space for Part I, and simplifies the reporting of excepted investment funds.

Conversion to an OGE document for uniform use, rather than a standard form, streamlined the approval process. It has also eliminated the Federal Supply Service as a source of forms. Therefore, each agency should reproduce its own supplies of OGE Form 450 locally, using the attached copy for printing or photocopying. Note that this form is intended to be reproduced with black printing on white paper, without any color shading.

If you would like to print supplies of OGE Form 450 electronically, please contact your OGE Desk Officer for a diskette or for information on downloading from OGE's ethics bulletin board (TEBBS).

We hope that this new form will be more user-friendly for both filers and reviewers. We also anticipate that local reproduction will be cost-effective and will promote availability. You may continue to use any supplies on hand of the green SF 450 and may order remaining quantities held by the Federal Supply Service, if your agency needs time to phase in the production and use of the new form. We would like to have OGE Form 450 in full use as the primary confidential disclosure form not later than the annual reporting cycle in October of this year. However, that will not become mandatory until supplies of the green SF 450 have been exhausted, unless we advise you otherwise.

For agencies that have been using the optional electronic version of the current confidential disclosure form, which allows filers to prepare the form on a computer, you may continue to do so until we distribute a replacement later this year.

If you have any questions about reproducing OGE Form 450 or how to phase it in, please contact your OGE Desk Officer.

Attachment

June 17, 1996
DO-96-031

MEMORANDUM

TO: Designated Agency Ethics Officials

FROM: Stephen D. Potts
Director, Office of Government Ethics

SUBJECT: Preparing to Use the New OGE Form 450

SUPPLIES OF OGE FORM 450

By DAEOgram of February 27, 1996, the Office of Government Ethics (OGE) distributed a camera-ready copy of the new confidential financial disclosure report, OGE Form 450, to replace the green standard form, SF 450. As indicated in that memorandum, supplies of OGE Form 450 are to be produced locally at each agency.

By way of reminder, agencies should be anticipating their needs and establishing procedures for reproducing this form in time for the October 1996 annual filing. If you need another camera-ready copy or would like information on printing blank copies electronically, please contact your OGE desk officer. You can also access a copy of the form on OGE's ethics bulletin board (TEBBS).

As discussed in the DAEOgram of February 27, 1996, confidential filers may continue to use the old green SF 450 until supplies are depleted. Note, however, that the Government Printing Office will gradually be closing out its supplies of this form. Also, filers who use the green SF 450 need to be reminded that they should disregard its instructions requiring disclosure of deposit accounts in certain financial institutions, money market funds and accounts, and U.S. Government obligations and securities. That change, promulgated in 1993 at 5 C.F.R. § 2634.907(a), is reflected in the new OGE Form 450. Additionally, filers who use the green SF 450 should be reminded that they can disregard that form's instructions requiring identification of certain assets as excepted investment funds (EIFs). See the discussion below.

WHEN TO DISCLOSE UNDERLYING HOLDINGS ON OGE FORM 450 FOR MUTUAL FUNDS, PENSIONS, AND SIMILAR INVESTMENTS

The new OGE Form 450 has eliminated the requirement that confidential filers indicate whether certain assets such as a mutual fund or employer-sponsored pension are excepted investment funds (EIFs). Also, it has eliminated the need for confidential filers to specify whether an employer-sponsored pension is a defined contribution or defined benefit plan. These designations had been used on the green SF 450 to help in determining whether confidential filers were required to disclose underlying holdings.

Instead of asking confidential filers to apply these terms, instructions accompanying the new OGE Form 450 specify more directly which assets require disclosure of underlying holdings. (See also exceptions under the heading "do not report.") Thus, the instructions advise confidential filers that:

-
- they must list the holdings in an **IRA, a "401(k)" retirement account, and a trust;**
 - they do not need to show the underlying assets held by a publicly available **mutual fund** (or **limited partnership**), so long as the full name of the specific fund is disclosed;
 - for an employer-sponsored **pension plan**, they must list underlying investment holdings only if the filer or spouse have control over those assets; for all other employer-sponsored pension plans, the filer just needs to indicate the name of the employer who sponsors the plan.

Based on this guidance in the instructions to OGE Form 450, reviewers of confidential disclosure reports do not need to inquire of confidential filers whether an employer-sponsored pension is a defined contribution or a defined benefit plan. Instead, the OGE committee that developed the new OGE Form 450 decided to focus on control over the underlying assets as the touchstone in determining whether those assets must be disclosed.

Note that this applies **ONLY** to **confidential** disclosure reports. For **public disclosure reports (SF 278s)**, reviewers must continue to seek further information from filers about underlying holdings of an employer-sponsored pension plan, unless it is described on the SF 278 as a defined benefit plan.

**Blank OGE Form 450
(with three pages
of instructions)**

Following is a blank OGE Form 450, with its three instruction pages.

INSTRUCTIONS FOR OGE FORM 450, CONFIDENTIAL FINANCIAL DISCLOSURE REPORT

A. Why You Must File

This report is a safeguard for you as well as the Government. It provides a mechanism for determining actual or potential conflicts between your public responsibilities and your private interests and activities. This allows you and your agency to fashion appropriate protections against such conflicts.

B. Who Must File

Agencies are required to designate positions at or below GS-15, O-6, or comparable pay rates, in which the nature of duties may involve a potential conflict of interest. Examples include contracting, procurement, administering grants and licenses, regulating/auditing non-Federal entities, other activities having a substantial economic effect on non-Federal entities, or law enforcement.

All special Government employees (SGEs) must file, unless exempted by their agency or subject to the public reporting system. Agencies may also require certain employees in positions above GS-15, O-6, or a comparable pay rate to file.

C. When To File

New entrant reports: Due within 30 days of assuming a position designated for filing, unless your agency requests the report earlier. No report is required if you left another filing position within 30 days prior to assuming the new position. (SGEs must file new reports upon each reappointment or redesignation, at the time specified by the agency.)

Annual reports: Due not later than October 31, unless extended by your agency.

D. Reporting Periods

New entrant reports: The reporting period is the preceding twelve months from the date of filing.

Annual reports: The reporting period covers October 1 through September 30 (or that portion not covered by a new entrant report). However, no report is required if you performed the duties of your position for less than 61 days during that twelve-month period. (All reappointed or redesignated SGE's file reports, regardless of the number of days worked).

E. Where To File

With ethics officials at the agency in which you serve or will serve, or in accordance with their procedures.

F. Definitions

Dependent Child - means your son, daughter, stepson, or stepdaughter if such person is either:

- (1) unmarried, under age 21, and living in your household; or
- (2) a "dependent" of yours for Federal income tax purposes. See 26 U.S.C. 152.

Honoraria - means payments (direct or indirect) of money or anything of value to you or your spouse for an appearance, speech or article, excluding necessary travel expenses. Also included are payments to charities in lieu of honoraria.

Special Government Employee (SGE) - is defined in U.S.C. 202(a) as: an officer or employee of an agency who performs temporary duties, with or without compensation, for not more than 130 days in a period of 365 days, either on a full-time or intermittent basis.

G. General Instructions

1. Filers must provide sufficient information about outside interests and activities so that ethics officials

1

can make an informed judgment as to compliance with applicable conflict of interest laws and standards of conduct regulations.

2. This form consists of five parts, which require identification of certain specific financial interests and activities. **NO DISCLOSURE OF AMOUNTS OR VALUES IS REQUIRED.** You must complete each part (except as indicated for Part V) and sign the report. If you have no information to report in any part or do not meet the threshold values for reporting, check the "None" box. New entrants and SGEs are not required to complete Part V.

3. You must include information applicable to yourself, your spouse, and dependent children on Parts I, II and V. This is required because their financial interests are attributed to you under ethics rules in determining conflicts of interest. Information about your spouse is not required in the case of divorce, permanent separation, or temporary separation with the intention of terminating the marriage or permanently separating. Parts III and IV require disclosures about yourself only.

4. You may distinguish any entry for a family member by preceding it with S for spouse, DC for dependent child, or J for jointly held.

Part I: Assets & Income

Assets:

1. Report all assets held for investment or for the production of income by **you, your spouse, and dependent children**, with a value greater than \$1,000 at the end of the reporting period or which produced more than \$200 in income during the reporting period.

Salary and Earned Income:

1. **For yourself:** report all sources of salary and earned income greater than \$200 during the reporting period.
2. **For your spouse:** report all sources of salary and earned income if greater than \$1,000 (for honoraria, if greater than \$200).

3. **For dependent children:** no earned income needs to be reported.

Examples of Assets:

- Stocks
- Tax Shelters
- Mutual Funds
- Annuities
- Trust Holdings
- Trades & Businesses
- Investment Life Insurance
- Bonds
- Investment Real Estate
- Pensions
- IRA/401(k) Holdings
- Commodity Futures
- Partnership Interests
- Collectibles held for Investment

Examples of Income:

- | | |
|-----------------------|-----------------------|
| Investment Income | Earned/Other Income |
| • Dividends | • Fees |
| • Rents and Royalties | • Salaries |
| • Interest | • Commissions |
| • Capital Gains | • Retirement Benefits |
| | • Honoraria |

Notes:

1. For **pensions**, you will ordinarily just need to indicate the name of the sponsoring employer. However, if you have control over the specific investment assets held in your pension account (it is not independently managed), you must also list those underlying investments or attach an account statement that lists them.
2. For publicly available **mutual funds**, you are only required to indicate the name of the fund, not the investments that the mutual fund holds in its portfolio. You must, however, always indicate the full name of the specific mutual fund in which you hold shares, not just the general family fund name.
3. For other publicly available investment funds, such as publicly offered units of **limited partnerships**, the disclosure requirements are the same as for mutual funds -- list the full name of the limited partnership, but not its underlying portfolio investments.
4. For a **privately held trade or business**, report its name, location, and description of activity.

Do Not Report:

1. Your personal residence, unless you rent it out;
2. Federal Government salary or retirement benefits such as the Thrift Savings Plan;
3. Social Security benefits;
4. Money owed to you, your spouse, or dependent child by a spouse, parent, sibling or child;
5. Accounts including certificates of deposit, savings accounts, interest-bearing checking accounts, or any other forms of deposit in a bank, savings and loan association, credit union or similar financial institution;
6. Money market mutual funds and money market accounts;
7. U.S. Government obligations (including Treasury bonds, bills, notes and saving bonds);
8. Government securities issued by U.S. Government agencies or Government-sponsored corporations, such as TVA, GNMA, FNMA; and
9. The underlying holdings of a trust that: 1) was not created by you, your spouse, or dependent children, **and** 2) the holdings or sources of income of which you, your spouse, and dependent children have no past or present knowledge. An example is a trust created by a relative, from which you receive periodic income but have no knowledge about its assets. Just identify the trust by name and date of creation.

Part II: Liabilities

Report for Yourself, Spouse, and Dependent Children:

1. Liabilities over \$10,000 owed to any creditor at any time during the reporting period.

Do Not Report:

1. Mortgages on your personal residence unless you rent it out;
2. Personal liabilities owed to a spouse, or the parent, sibling, or child of you, your spouse, or dependent child;
3. Loans for personal automobiles, household furnishings, or appliances, where the loan does not exceed the purchase price; and
4. Revolving charge accounts where the outstanding liability does not exceed \$10,000 at the end of the reporting period.

Part III: Outside Positions

Report for Yourself:

1. All positions outside the U.S. Government held at any time during the reporting period (including positions no longer held), whether or not paid.
- Positions include** an officer, director, trustee, general partner, proprietor, representative, executor, employee, or consultant of any of the following:
1. A corporation, company, firm, partnership, trust, or other business enterprise;
 2. A non-profit organization;
 3. A labor organization; and
 4. An educational or other institution outside the Federal Government.

Do Not Report:

1. Positions held in any religious, social, fraternal, or political entity;
2. Positions solely of an honorary nature; and
3. Positions held by a spouse or dependent child.

Part IV: Agreements and Arrangements

Report Your Agreements or Arrangements for:

1. Current or future employment;
2. A leave of absence from private or other non-Federal employment;
3. Continuation of payment by a former employer other than the Federal Government (including severance payments); and
4. Continuing participation in an employee pension or benefit plan maintained by a former employer other than the Federal Government.

Do Not Report:

1. A spouse or dependent child's agreements or arrangements.

Part V: Gifts and Travel Reimbursements

Note: Part V is not applicable to new entrants and SGE's.

Report for You, Your Spouse, and Dependent Children:

1. Travel-related cash reimbursements received from one source during the reporting period totaling \$250 or more.
2. Any other gifts totaling \$250 or more from any one source. A "gift" is defined as anything of value, unless you give something of equal or greater value to the donor. This includes tangible items and in-kind transportation, food, lodging, and entertainment.

Note: Gifts or reimbursements valued at \$100 or less need not be included in determining the \$250 reporting threshold.

Do Not Report:

1. Anything received from relatives, the U.S. Government, D.C., State, or local governments;
2. Bequests and other forms of inheritance;
3. Gifts and travel reimbursements given to your agency in connection with your official travel;
4. Gifts of hospitality (food, lodging, entertainment) at the donor's residence or personal premises; and
5. Gifts or reimbursements received by a spouse or dependent child totally independent of the relationship to the filer (Example: a spouse's reimbursement in connection with private employment).

Privacy Act Statement

Title I of the Ethics in Government Act of 1978 (5 U.S.C. App.), Executive Order 12674, and 5 CFR Part 2634, Subpart I, of the Office of Government Ethics regulations require the reporting of this information. The primary use of the information on this form is for review by Government officials of your agency, to determine compliance with applicable Federal conflict of interest laws and regulations. Additional disclosures of the information on this report may be made: (1) to a Federal, State or local law enforcement agency if the disclosing agency becomes aware of a violation or potential violation of law or regulation; (2) to a court or party in a court or Federal administrative proceeding if the Government is a party or in order to comply with a judge-issued subpoena; (3) to a source when necessary to obtain information relevant to a conflict of interest investigation or decision; (4) to the National Archives and Records Administration or the General Services Administration in record management inspections; (5) to the Office of Management and Budget during legislative coordination on private relief legislation; and (6) in a judicial or administrative proceeding, if the information is relevant to the subject matter. This

confidential report will not be disclosed to any requesting person unless authorized by law.

Penalties

Falsification of information or failure to file or report information required to be reported may subject you to disciplinary action by your employing agency or other authority. Knowing and willful falsification of information required to be reported may also subject you to criminal prosecution.

Public Burden Information

This collection of information is estimated to take an average of one and a half hours per response, including time for reviewing the instructions, gathering the data needed, and completing the form. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Associate Director for Administration, U.S. Office of Government Ethics, Suite 500, 1201 New York Avenue NW., Washington, DC 20005-3917; and to the Office of Management and Budget, Paperwork Reduction Project (3209-0006), Washington, DC 20503. Do not send your completed OGE Form 450 to this address. See Section E for where to file.

Pursuant to the Paperwork Reduction Act, as amended, an agency may not conduct or sponsor, and no person is required to respond to, a collection of information unless it displays a currently valid OMB control number (that number is displayed in the upper right-hand corner of the first page of this OGE Form 450).

Mere disclosure of the required information does not authorize holdings, income, liabilities, affiliations, positions, gifts or reimbursements which are otherwise prohibited by law, Executive order, or regulation.

If you need assistance in completing this form, contact the ethics officials in the agency in which you serve or will serve.

Executive Branch CONFIDENTIAL FINANCIAL DISCLOSURE REPORT

| | | | | | |
|---|--|--|--|---|--|
| Employee's Name (Last, first, middle initial) | | Position/Title | | Reporting Status: <input type="checkbox"/> New entrant <input type="checkbox"/> Annual | |
| Agency | | Branch/Unit and Address | | Work Phone | |
| <input type="checkbox"/> Check box if special Government employee (SGE) | | If an SGE, Home Address (Number, Street, City, State and ZIP Code) | | | |
| I certify that the statements I have made on this form and all attached statements are true, complete, and correct to the best of my knowledge. | | Signature of Employee | | Date | |

| | | |
|--|--|---------------------------------|
| Date Received by Agency | Signature and Title of Supervisor/Other Intermediate Reviewer (if agency requires) | Date |
| Signature of Agency's Final Reviewing Official and Title | | Comments of Reviewing Officials |
| Date | | |
| (Check box if continued on reverse) <input type="checkbox"/> | | |

Part I: Assets and Income

None

Identify for you, your spouse, and dependent children: 1) assets with a fair market value greater than \$1,000 at the close of the reporting period or producing income over \$200; and 2) sources of earned income such as salaries, fees, honoraria (other than U.S. Government salary or retirement benefits, such as the Thrift Savings Plan) which generated over \$200 in income during the reporting period. Earned income sources of your spouse must be reported if greater than \$1,000 (greater than \$200 for honoraria). No earned income needs to be reported for dependent children.

Assets include (but are not limited to): stocks, bonds, tax shelters, real estate, mutual funds, pensions, annuities, IRAs, trusts, commodity futures, trades and businesses, and partnership interests.

Exclude your personal residence, unless you rent it out, and deposit accounts in financial institutions. See instructions for additional exclusions.

| Assets and Income Sources (Identify specific employer, business, stock, bond, mutual fund, type/location of real estate, etc.) | (X) if no longer held | Nature of Income over \$200 (Rent, interest, dividends, capital gains, salary, etc.) | Date (Only for honoraria) |
|--|-----------------------|--|---------------------------|
| Examples | | Rent | |
| | X | Salary | |
| | | Salary | |
| | | Dividends/Capital Gains | |
| 1 | | Rental Condo, Anchorage, Alaska | |
| 2 | | Dee, Jones & Smith, Hometown, USA | |
| 3 | | (S) Alexandria Medical Clinic, Alexandria, VA | |
| 4 | | Franklin Equity Mutual Fund | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | | | |

Use copies of blank pages for continuation

| | |
|---|------------|
| Employee's Name (Last, first, middle initial) | Work Phone |
|---|------------|

Part II: Liabilities

None

Report for you, your spouse, and dependent children. Liabilities over \$10,000 owed at any time during the reporting period (over \$10,000 at the end of the period if revolving charge accounts). Exclude a mortgage on your personal residence unless it is rented out; loans for autos, household furniture or appliances; and liabilities owed to certain family members (see instructions).

| Creditors | (Name and address) | Type of Liability (Mortgage, promissory note, etc.) |
|-----------|--------------------------------------|---|
| Example | First Alaska Bank, Anchorage, Alaska | Mortgage on rental property in Anchorage, AK |
| 1 | | |
| 2 | | |
| 3 | | |

Part III: Outside Positions

None

Report any positions, whether or not compensated, which you held outside the U.S. Government during the reporting period. Positions include (but are not limited to) an employee, officer, director, trustee, general partner, proprietor, representative, executor, or consultant for a business, non-profit or labor organization, or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature. You need not report any positions of your spouse or dependent children.

| Organization | (Name and address) | Type of Organization | Position | (X) If no longer held |
|--------------|-----------------------------------|----------------------|-----------|-----------------------|
| Example | Dee, Jones & Smith, Hometown, USA | Law Firm | Associate | X |
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |

Part IV: Agreements and Arrangements

None

Report your agreements or arrangements for current or future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan.

You need not report agreements or arrangements of your spouse or dependent children.

| Terms of Any Agreement or Arrangement | Parties | Date | |
|---------------------------------------|---|-----------------------------------|-------|
| Example | Will receive retained pension benefits (independently managed, fully funded, defined contribution plan) | Dee, Jones & Smith, Hometown, USA | 12/95 |
| 1 | | | |
| 2 | | | |
| 3 | | | |

Part V: Gifts and Travel Reimbursements

None

Do not complete this part if you are a new entrant or special Government employee.

Report for you, your spouse, and dependent children. gifts or travel reimbursements you have received from one source totaling \$250 or more. Exclude anything valued at \$100 or less; anything received by your spouse or dependent child totally independent of their relationship to you; anything from a relative or from the U.S. Government; anything given to your agency in connection with your official travel; and food, lodging, or entertainment received as personal hospitality at the donor's residence or premises.

| Source | Description (For travel-related items, include itinerary) | Date |
|---------|---|-------|
| Example | Dee, Jones & Smith, Hometown, USA | 12/95 |
| 1 | Leather briefcase as a departing gift | |
| 2 | | |
| 3 | | |
| 4 | | |