



United States
Office of Government Ethics
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DO-07-013

MEMORANDUM

TO: Designated Agency Ethics Officials

FROM: Robert I. Cusick
Director

SUBJECT: Agency Supplemental Regulations

Recently, there have been stories in the media about Federal employees owning stock in industries which their agency regulates, a situation that poses concerns about conflicts of interest. These reports raise the question whether existing agency supplemental standards are adequate to address financial conflicts of interest and appearances of conflict of interest.

The Standards of Ethical Conduct for Employees of the Executive Branch (Standards) became effective in February 1993. Shortly after that time, many agencies issued supplemental regulations to the Standards. Because a substantial period of time has passed since the issuance of these supplemental regulations, this is an appropriate time for agencies to review their supplemental regulations to determine if any new or additional restrictions on prohibited holdings need to be added. Similarly, for those agencies that have no supplemental regulations, this would be an opportune time to consider whether any supplemental rules would be appropriate.

An examination of an agency's supplemental regulations has always been a part of our program reviews. During the next scheduled review of your agency program, we will discuss with you whether any additions or changes need to be made to your supplemental regulations to address whether certain holdings should be prohibited.

If you decide to update your supplemental regulations or to issue one for the first time, our Agency will be happy to work with you.