

# How to Review Confidential Financial Disclosure Reports (OGE450)

## Student Workbook

## Who Files an OGE450?

### Positions classified at GS-15 or below, where the agency has determined that the employee:

- ! Participates personally and substantially through decision or the exercise of significant judgement in contracting or procurement;
- ! Administers or monitors grants, subsidies, licenses, or other Federal benefits;
- ! Regulates, audits, or performs other duties directly and substantially affecting non-Federal entities;
- ! Is an SGE who works less than 60 days, then he or she files the OGE 450. If it is unclear as to how many days the SGE will be working, you may give the employee the option of filling out the SF 278 in lieu of the OGE 450. (The form may be retained in the file marked "not public" until such time as he or she has worked more than 60 days. Otherwise, if the employee files the OGE 450 initially, and then works more than 60 days, he or she must file the SF 278; or
- ! Occupies any other position that the agency determines requires filing to avoid actual or apparent conflict of interest (e.g., ethics practitioners/auditors).

## Who Files the OGE 450A?

- ! Any annual filer who has no new interests to report may file the OGE 450A, Certificate of No New Interests.
- ! The OGE 450A may only be filed for three consecutive years and then a new OGE 450 must be filed as a baseline.
- ! For the FY2000 filing cycle, all Executive Branch employees must file an OGE450.

## Supplemental Forms - Who at the Department of the Interior Files the DI 1993?

### ! Anyone who files the OGE 450 with the:

- " National Business Center
- " Office of the Solicitor
- " Office of the Inspector General
- " Bureau of Land Management
- " U.S. Geological Survey
- " Office of Surface Mining Reclamation and Enforcement
- " Minerals Management Service

### Why Do Executive Branch Employees File the OGE450?

The purpose of financial disclosure is rooted in the post-Watergate concepts of "Government in the Sunshine," which aims to promote public confidence in the integrity of Government officials. OGE's regulations and the OGE Form 450 reflect the law's mandates and its dual purpose of:

! avoiding conflicts of interest through reviewer analysis of the disclosures, and

! ensuring public confidence in Government through disclosure as an end to itself.

18 U.S.C. §208: Generally, this statute prohibits a Government employee from participating personally and substantially in his or her official Government capacity in any "particular matter" in which:

- ! he or she,
- ! his or her spouse,
- ! minor child,
- ! general partner,
- ! organization in which he or she is serving as an officer, trustee, partner or employee, or
- ! any person or organization with whom he or she is negotiating for employment

has a financial interest.

To protect both employee and agency, reviewers conduct a technical analysis and a conflict of interest analysis.

## Review Preparation

You will ordinarily need job aids to review the confidential financial disclosure report. Some job aids include:

- ! The filer's most recent previous report.
- ! Any ethics agreements entered into by the filer.
- ! An agency list of:
  - " contractors
  - " grantees
  - " regulatees
  - " prohibited sources.
- ! Filer's position description.
- ! Investment service guides, such as:
  - " Moody's
  - " Standard & Poor's
  - " Dunn & Bradstreet
  - " Other periodicals and guides
  - " Company annual reports
- ! A current list of mutual funds.
- ! Pertinent regulations.
- ! SF 278/OGE 450 instructions.
- ! Internal agency written procedures for the confidential financial disclosure system.
- ! OGE Form 450: A Review Guide

## Reviewing the OGE450 - Employee Information

- ! **EMPLOYEE'S NAME**  
Employee's full name
- ! **POSITION/TITLE**  
Accept either the classification or organizational title.
- ! **GRADE**  
This will be useful in determining whether there is a substantial amount of supervision over the position.
- ! **REPORTING STATUS**
  - " **New Entrant**
    - This box is checked if the employee is entering a covered position for the first time. An employee moving from one covered position to another does not have to file a new entrant form.
  - " **Annual Filer**
    - This box is checked if the employee is filing as part of the annual filing cycle.
- ! **AGENCY**  
Employee states the name of his/her Bureau/Office.
- ! **BRANCH/UNIT and ADDRESS**  
Employee gives his/her state or region, organizational location, and address.
- ! **WORK PHONE**  
Telephone number where the employee can be reached at work, in case a question arises.
- ! **DATE OF APPOINTMENT**  
This is the date that the new employee entered on duty to the current covered position. Annual filers may leave blank.
- ! **SPECIAL GOVERNMENT EMPLOYEE:**  
Filers should check this block if they are SGEs. Certain ethics rules and statutes are less restrictive for SGEs. Also, the filing requirements are different for SGEs, and Part V does not apply.
- ! **SGEs HOME ADDRESS**  
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

Filers must certify their reports by signing and dating the report, in ink, in the blocks provided. The report is not considered complete without such certification.

! AGENCY USE ONLY

" DATE RECEIVED BY AGENCY

- The OGE 450 report should be date stamped immediately upon receipt.

" INTERMEDIATE REVIEW

- The Department of the Interior does not generally use this block.

" FINAL REVIEW

- 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 CFR § 2634.605.

" COMMENTS OF REVIEWING OFFICIALS

Reviewers may:

- use this block to record any exceptions to the certification statement that they make by signing in block N or P.
- use this block to record any supplementary information obtained from the filer.
- note in this block any extensions of the due date granted by the agency.
- explain any delay in completing the review beyond the normal 60-day period.

## Reviewing the OGE450 - Part I: Assets and Income

### ! Whose Assets Need to Be Reported?

- " The filer
- " His or her spouse
- " His or her dependent child

### ! What Needs to Be Reported?

- " Assets held for investment or the production of income
  - Only assets with a fair market value greater than \$1,000 at the end of the reporting period, OR
  - Assets that accrued over \$200 in income during the reporting period
- " Sources of income which:
  - produced over **\$200 for the filer** at any time during the reporting period
  - do not list Federal government;
  - generated over **\$1,000 for the filer's spouse** during the reporting period (do not list Federal government);
  - generated honoraria over **\$200 for the filer's spouse**.

### ! Which Assets or Sources of Income Do Not Need to Be Reported?

- " Assets that were not held at the end of the year, unless they generated more than \$200 during the reporting period
- " Sources of earned income for **dependent children**

### ! What Other Information Not to Report on the Form

- " Dollar amounts or values for any asset
- " A personal residence (unless it was rented out during the reporting period)
- " Money instruments
  - Cash deposit accounts deposited in a financial institution (e.g., checking, savings, or certificates of deposit deposited in a bank, savings and loan association, or credit union).
  - Money market mutual funds and accounts.
- " Income from the government
  - U.S. Government obligations and securities (e.g., Treasury bonds, bills, notes, U.S. savings bonds, GNMMAs, and FNMMAs).
  - Federal salary.
  - Social Security and similar benefits.
  - Federal retirement funds (e.g., CSRS or the Thrift Savings Plan).
- " Money owed **to** the filer, spouse, or dependent child **from** their:
  - parent
  - sibling
  - child
- " Interests in assets held by a spouse or dependent children that meet all of the following three conditions:

- the asset represents the spouse's or dependent children's sole financial interests or responsibility and about which the filer has no specific knowledge;
- the asset is not in any way, past or present, derived from the filer's income, assets, or activities; and
- 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 a joint tax return or share expenses and financial obligations.*

- " The underlying holdings of a trust that:
  - was not created by the filer, spouse, or dependent children, **and**
  - the holdings or sources of income of which they have no specific knowledge (e.g., it was created by a relative and the filer simply receives a periodic check).

## **! Examples of Assets:**

- " Stocks
- " Tax Shelters/Limited Partnerships
  - e.g., REITs, CATS, TIGRS etc.
  - List the full name of the shelter or limited partnership but not the underlying holdings
- " Mutual Funds
  - e.g., widely diversified, sector, global, international
  - give the full name of the specific fund (e.g., Fidelity Oil Field Services Fund not Fidelity Family of Funds)
  - do not list the underlying holdings
- " Annuities
  - do not list the Federal Thrift Savings Plan
- " Trusts
  - list the underlying holdings - if not known, give the name of the creator or trustee and the date it was created, if known
- " Trades and businesses
  - indicate the location and primary trade or business
- " Investment life insurance
  - e.g., whole life, universal life.
- " Funds receivable
  - such as a promissory note from someone other than a close family member.
- " Bonds
- " Investment real estate
  - give location (includes vacation home that is rented out for any part of



- the year) .
- do not list tenant name.
- " Pensions (do not list a federal pension)
  - list the underlying assets if the filer, spouse, dependent child has control over them.
- " Personal retirement accounts
  - e.g., IRAs, SEPs, 401(k)s, etc.
  - list the underlying holdings
- " Futures and options
  - puts and calls
- " Partnership interests
- " Collectibles held for investment
  - e.g., stamp collections, coin collections, art collections, or antiques

**! Examples of Sources of Income**

- " Dividends
- " Interest
- " Capital gains
- " Rents and Royalties
- " Salary, stipends, grants, or other sources of compensation for personal services
- " Honoraria
- " Retirement income
- " Awards and prizes

**! How to Fill out the Form:**

- " If the employee has nothing to report, the "None" box should be checked.
- " Each asset and source of income should be separately listed.
- " If an asset generated over \$200 but is no longer held, give the name of the asset or source of income in the first column and check the second column.
- " In the third column list the type of income: interest, dividends, rents, royalties, capital gains, etc. (abbreviations, such as I, D, R, RL, CG may be used).
- " In the case of honoraria, give the date (month and year) that the service was provided.

## Part I Technical Review

! A Technical Review ensures that all required information has been disclosed.

1. Reported assets meet the filing thresholds, or a check is made in the “None” box.
2. Check asset descriptions for completeness;
  - a. note that a specific employer is given;
  - b. note the nature and location of a private business or a partnership; and
  - c. make sure that specific names of mutual funds or other financial interests are given.
3. Verify that the correct income type is given.
4. Check to see if acceptance information on honoraria is given.
5. Be certain you have asset information for consolidated financial plans, investment clubs, private pension interests and IRAs.

## Part I Conflict of Interest Analysis

Reviewers use the information disclosed on Part I to identify potential conflicts of interest or certain activities that may give rise to the question of a conflict, an appearance of a conflict, or inappropriate conduct in violation of the Standards of Conduct or the Criminal Conflict of Interest Statutes. In carrying out Part I conflict of interests analyses, reviewers should focus on:

1. Comparing entries with any statutory or regulated agency prohibited holdings.
2. Considering whether any of the entries raise a potential conflict with the filer's official duties.
3. The need to seek further information if required to make an informed conflicts determination.
4. Apply a remedy such as recusal, divestiture, waiver, reassignment or resignation for any conflict or potential conflict of interest.

Further Reference:

18 U.S.C § 208 - Criminal Conflict of Interest Statute  
5 C.F.R. § 2635.502 - Subpart E - Impartiality - OGE Standards of Conduct

Ask yourself: Could the filer's official duties effect any of these financial interests? [18 U.S.C. §208].

## Reviewing The OGE450 - Part II: Liabilities

### ! Whose Liabilities Need to Be Reported?

- " The filer
- " His or her spouse
- " His or her dependent child

### ! What Needs to Be Reported?

- " Any liabilities (debts) that exceeded \$10,000 at any time during the reporting period.
  - e.g., mortgages, promissory notes, loans, outstanding bills for services or products.

### ! What Not to Report

- " The dollar amount of the liability.
- " Personal liabilities owed to immediate family members.
- " Mortgage secured by a personal residence provided that it was not used as rental property during the reporting period.
- " Any loan secured by a personal motor vehicle, household furniture/appliance provided that the loan did not exceed the purchase price.
- " Revolving credit card accounts, where the outstanding balance 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:
  - it represents the spouse's or dependent children's sole financial interest or responsibility and about which the filer has no specific knowledge;
  - it is not in any way, past or present, derived from the filer's income, assets, or activities; **and**
  - 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.*

### ! How to Fill out the Form:

- " If the employee has nothing to report, the "None" box should be checked.
- " In the first block, list each creditor separately by full name
  - Give the location including city and state.
- " In the second block, give a description of the liability
  - e.g., mortgage, loan, promissory note.

## Part II Technical Review

Be sure all relevant information has been disclosed, especially information that relates to Part I entries.

- ! Look for either reported items or a check in the “none” box.
- ! Verify that the name, city and state is reported for all creditor.
- ! Be sure that the type of liability is shown, e.g. promissory note, mortgage or loan.
- ! Compare any mortgages listed with rental properties listed in Part I.

## Part II Conflict of Interest Analysis

Identify any liabilities owed to an entity that raises a potential conflict of interest with the filer’s duties. Focus on:

- ! the terms of the loan; and
- ! the filer’s relationship with the creditor.

Seek further information and remedial action as appropriate.  
Reviewers should keep the following statutes and regulations in mind:

- 18 U.S.C. §201 - Criminal Statute on Bribery
- 5 C.F.R. §2635, Subpart B: Gifts from Outside Sources
- 5 C.F.R. §2635, Subpart C: Gifts Between Employees
- 5 C.F.R. §2635, Subpart G: Misuse of Position

## Reviewing the OGE450 - Part III: Outside Positions

### ! Whose Outside Positions Need to Be Reported?

" The filer

### ! What Needs to Be Reported?

" All outside (non-Federal) positions which they held at any time during the reporting cycle

- Includes both paid and unpaid positions

- Positions include:

    • officer

    • director

    • trustee

    • general partner

    • proprietor

    • representative

    • executor

    • employee, or

    • consultant 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.

### ! What Not to Report:

" Positions held in any religious, social, fraternal, or political entity.

" Positions of an honorary nature, such as those with an emeritus designation.

" Positions held by their spouse or dependent children.

### ! How to Fill out the Form

" If the employee has nothing to report, the "None" box should be checked.

" In the first block, list the name and location (city and state) of the outside organization.

" In the second block, give a general description of the organization's purpose or function.

- e.g., non-profit organization, professional association, special interest group, lobbying firm, family business, for profit organization, etc.

" In the third block, list the filer's title or nature of activity within the organization.

" In the fourth block, check if the position is no longer held at the end of the reporting period.

### **Part III Technical Review**

1. Look for either reported items or a check in the “none” box.
2. Verify that the name and location (city and state) are reported for all organizations.
3. Note whether the organization’s purpose or function is stated.

### **Part III Conflict of Interest Analysis**

1. Does the filer’s outside position affect the filer’s ability to perform their assigned duties with any conflict of interest concerns?

Reviewers should keep in mind the following:

18 U.S.C. §208

18 U.S.C. §§203 and 205 Criminal statutes prohibiting representation of outside entities before the government.

5 C.F.R. §2635.502 - Subpart E - Impartiality - OGE Standards of Conduct

5 C.F.R. §2635.802 - Subpart H - Outside Activities - OGE Standards of Conduct

## Reviewing the OGE450 - Part IV: Agreements and Arrangements

### ! Whose Agreements and Arrangements Need to Be Reported?

" The filer

### ! What Needs to Be Reported?

" Any agreement or arrangement held at the end of the reporting period 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 employer including severance payments.
- Continuation of participation in an employee welfare or benefit plan (including pension) maintained by a former non-Federal employer.

### ! How to Fill out the Form:

" If the employee has nothing to report, the "None" box should be checked.

" In the first block, list the basic elements of the agreement or arrangement

- e.g. terms of employment, effective dates, etc.

" In the second block, list the names of any other parties who are involved in the agreement or arrangement and give their location (city and state).

" In the last block, give the date (month and year) that the agreement or arrangement was made.

## Part IV Technical Review

! Look for either reported items or a check in the "None" box.

! Look for a basic description of the agreement or arrangement, e.g. employment terms, effective dates, etc.

! Check for the date (month and year) for the agreement or arrangement.



## Part IV Conflict of Interest Analysis

Reviewers use the information disclosed to ensure that filers do not officially participate in matters in which they would benefit financially or which would cause the general public to question their impartiality. Reviewers should focus on whether the filer:

- ! May act in a government matter that may affect a personal financial interest;
- ! Is impartial in performing his official duties.

For Part IV Conflict of Interest reviewers should focus on:

18 U.S.C §208, Acts Affecting a Personal Financial Interest  
5 C.F.R.§ 2635, Subpart E: Impartiality in Performing Official Duties  
5 C..F.R.§2640. Waiver Guidance Concerning 18 U.S.C. §208

## Reviewing the OGE450 - Part V: Gifts and Travel Reimbursements

### ! Whose Gifts and Travel Reimbursements Need to Be Reported?

- " The filer
- " His or her spouse
- " His or her dependent child

### ! Whose Do Not Need to Be Reported?

- " New entrants
- " Special Government Employees

### ! What Needs to Be Reported?

- " Travel:
  - Reimbursements received from any one source during the reporting period totaling \$250 or more for:
    - È Food
    - È Lodging
    - È Transportation
    - È Entertainment
- " Gifts
  - Other than cash reimbursements, totaling \$250 or more (fair market value), from any one source during the reporting period. Including:
    - È Tangible personal property items, whether functional or for display
    - È In-kind travel-related items, such as tickets or free meals not involving cash reimbursements
    - È Anything else of monetary value, such as hospitality, gratuities, and services.
  - Items valued at \$100 or less need not be aggregated in determining the \$250 reporting threshold from any one source.

### ! What Not to Report:

- " The dollar amount or value of any gift or reimbursement
- " Anything for which fair market value is paid by the recipient
- " Anything 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 spouse's reimbursement for travel from a private employer)
- " Nonbusiness gifts of personal hospitality, e.g., 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, the U.S. Government, D.C., State or local

- government
- " 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

**! How to Fill out the Form:**

- " If the employee has nothing to report, the "None" box should be checked.
- " In the first block, give the name and location (city and state) for the donor of the gift or travel reimbursement.
- " In the second block, describe the nature of the gift or travel reimbursement, (e.g., "framed picture.")
  - for travel reimbursements, give a brief itinerary and the type of travel, (e.g., "air fare to San Francisco, Los Angeles, and return.")
- " In the third block, give the date of receipt (month and year) for the gift or travel reimbursement.

## **Part V Technical Review**

- ! Look for reported items or a check in the "none" box, for annual filers other than SGEs.
- ! Identify the source of the gift or reimbursement.
- ! Look for a description of the gift or reimbursement.
- ! Check for the date of receipt (month and year).

## Part V Conflict of Interest Analysis

- ! Focus on the source of the gift.
- ! Determine whether the source is from an entity that raises a potential conflict, or from a prohibited source.
- ! Determine whether a gift from a prohibited source was acceptable under the exceptions at 5 C.F.R. §2635.204.

For Part V Conflict of Interest analyses, reviewers should focus on:

18 U.S.C. §§ 201 and 209, Bribery and Supplementation of Salary

5 C.F.R. §2635, Subparts B and C: Gifts from Outside Sources and Gifts Between Employees