



United States
Office of Government Ethics
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December 12, 2006
DO-06-036

MEMORANDUM

TO: Designated Agency Ethics Officials and Inspectors
General

FROM: Robert I. Cusick
Director

SUBJECT: Revised Confidential Financial Disclosure
Regulation and OGE Form 450

On May 16, 2006, the Office of Government Ethics (OGE) published the final confidential financial disclosure rule for the executive branch. See [71 Federal Register 28229-28239](#), available under "Laws & Regulations" on OGE's web site at www.usoge.gov. The new regulation will go into effect on January 1, 2007. OGE has posted on its web site under "Forms, Publications & Other Ethics Documents" the new OGE Form 450, which reflects the changes in the regulation. For a detailed discussion of the changes to the form, see the second round paperwork notice at [71 Federal Register 54081-54086](#), available under "Laws & Regulations" on OGE's web site. In this DAEOgram, we summarize the major changes to the regulation and the form, and provide information about how employees can get additional help in filling out the new OGE Form 450.

All agencies must begin using the new form for both annual and new entrant filers on January 1, 2007. Although at one point in the project we had decided to allow electronic filing and storage of the OGE Form 450, we have now decided to delay implementation of that project pending our pursuit of other options. For the 2007 filing cycle, filers must submit, and ethics offices must keep, paper copies of the OGE Form 450, unless the agency is participating in an OGE-approved electronic filing pilot project.

Changes to the Regulation

The following is a summary of the most significant changes to the regulation:

- The reporting period for the initial filing cycle with the new form is 15 months - October 1, 2005 through December 31, 2006. Because the last annual report that employees filed covered the period ending on September 30, 2005, this initial filing cycle must cover a 15-month period. All future annual filing cycles will be the 12-month period from January 1 to December 31.
- The new filing deadline is February 15, 2007.
- Although filers are still required to report sector mutual funds (Part I), they are no longer required to report diversified mutual funds. For guidance on the distinction between sector mutual funds and diversified mutual funds, see [DAEOgram DO-00-030](#), dated August 25, 2000, available under "DAEOgrams" on OGE's web site.
- Filers are no longer required to report the type of income, such as dividends, capital gains and salary, earned on assets reported in Part I.
- Filers are no longer required to report their student loans, revolving charge accounts, or loans from banks or other financial institutions on terms generally available to the public (Part II). Under the latter exception, filers now may be able to omit mortgages on rental property.
- While filers are still required to report the dates of agreements and arrangements for future employment (Part IV), they are no longer required to report the dates of other types of agreements and arrangements.
- We have streamlined the definition of "confidential filer." We do not mean to signal a major change in the application of the definition with this revision.

We simply incorporated the exclusion provisions that were previously found at 5 C.F.R. § 2634.905(a) and (b) into the definition. Because the exclusion provisions help to determine who is required to file, we believed that it would be better to incorporate them into the definition of a confidential filer.

- We have given more prominence to an existing provision of the regulation regarding alternative financial disclosure procedures. Agencies may submit for OGE approval an alternative to the OGE Form 450 that is tailored to their agency. For example, one agency may need their filers to report their student loans, credit card debt, and mortgages on rental property. That agency could submit an alternative OGE Form 450 that contains these more stringent reporting requirements in Part II.
- We rewrote the "report contents" section so that all of the reporting requirements are contained within the confidential financial disclosure regulation. The reader is no longer required to move back and forth between the public financial disclosure regulation and the confidential financial disclosure regulation to learn the reporting requirements.

Changes to the Form

The following are the most significant changes to the OGE Form 450:

- We replaced the "none" boxes, which were adjacent to each part of the old form, with a set of "Yes/No" statements that appear on the same page as the filer's information and the signatures. OGE made this change for two reasons. First, reviewers complained that filers routinely forgot to check the "none" box on the old form, yet filers would not fill in the corresponding part of the form. Such a situation was ambiguous. Reviewers could not be sure if the filer had nothing to report and had simply forgotten to check the "none" box or if the filer had

information to report but forgot to do so. Second, in many cases this change will reduce the amount of paper that the ethics office must file. For example, if a filer checks "No" for each statement, the ethics official is required to file only the signature page. If a filer checks "Yes" to the Statement I and "No" to the remaining statements, the ethics official is required to file the signature page and Part I.

- Annual filers must check "Yes" or "No" to each statement.
- New entrants must check "Yes" or "No" to the first four statements.
- In response to privacy concerns, we are not requiring SGEs to provide their home address. Instead, they are permitted to provide any reliable mailing address they choose.
- We added a block for the filer to include his or her e-mail address. Because many reviewers today prefer to follow-up using e-mail rather than the telephone, we believe it will be helpful to have a place for this address on the form.
- We added a block for supervisors and intermediate reviewers to include their e-mail address. They are not required to provide these addresses. The e-mail block was added for the convenience of those agencies that require a review of the form by the filer's supervisor, who will probably not be in the same office as the ethics official. If only one intermediate reviewer (such as an ethics specialist) signs all of the forms before they go to the final reviewer, then there may be no need for that intermediate reviewer to provide an e-mail address.
- The orientation of the form has been changed from landscape to portrait. This change makes the form easier to complete on the computer. Instead of scrolling up and down and then left and right to read the form, the filer has to scroll up and down only.

- The new OGE Form 450 does not replace the OGE Form 450-A. Agencies may allow annual filers who meet the requirements to file the OGE Form 450-A rather than the OGE Form 450 for this 15-month filing cycle.

Additional Information for Employees

OGE has created an online course ("Completing the OGE Form 450") to help filers with the form. This course, designed for both experienced and new filers, can be completed in approximately 15-20 minutes and can be taken as often as desired. The course may be found on OGE's website under "Computer and Web-based Training":

http://www.usoge.gov/pages/comp_web_trng/cwt_modules/oge450_wbt_06/homepage.html

The online training also contains a link to some Frequently Asked Questions (FAQs) that address some of the OGE Form 450 filers' more common issues. These FAQs can also be accessed directly at www.usoge.gov under http://www.usoge.gov/pages/financial_disclosure/oge_450_faqs.html. We expect to keep updating this section as more questions come to our attention.