

Financial Disclosure

Heart of Ethics or
A Royal Pain



**Standards of Conduct Office
Office of General Counsel
Department of Defense**

Revised: Feb. 2011

Before we start . . .



let's check out the references



Bottom Line



Financial disclosures are tool to
identify & prevent conflicts of interest

FINANCIAL DISCLOSURES

Help:

- ✓ Maintain public confidence in DoD
- ✓ Employees avoid conflicts of interest by identifying financial interests
- ✓ Employees, supervisors and ethics officials recognize & prevent potential conflicts
- ✓ Provide evidence if violations occur



FINANCIAL DISCLOSURE Process

Administer Program:

- Meet program deadlines
- Identify filers
- Notify and educate filers and supervisors
- Record keeping

Disclosure Review:

- Technical review
- Conflict of interest analysis
- Remedies, as warranted
- Certification/Signature

PUBLIC FINANCIAL DISCLOSURE

(NEW: OGE Form 278)

OGE Form 278 (Rev. 09/2010)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Help

Form Approved:
OMB No. 3209 - 0001

Date of Appointment, Candidacy, Election, or Nomination (Month, Day, Year)	Reporting Status (Check Appropriate Boxes)	<input type="checkbox"/> Incumbent	Calendar Year Covered by Report	<input type="checkbox"/> New Entrant, Nominee, or Candidate	<input type="checkbox"/> Termination Filer	Termination Date (If Applicable) (Month, Day, Year)	Fee for Late Filing Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period, shall be subject to a \$200 fee. Reporting Periods Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable. Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable. Nominees, New Entrants and Candidates for President and Vice President: Schedule A- The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing. Schedule B- Not applicable. Schedule C, Part I (Liabilities)- The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing. Schedule C, Part II (Agreements or Arrangements)- Show any agreements or arrangements as of the date of filing. Schedule D- The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.
Reporting Individual's Name		Last Name		First Name and Middle Initial			
Position for Which Filing		Title of Position		Department or Agency (If Applicable)			
Location of Present Office (or forwarding address)		Address (Number, Street, City, State, and ZIP Code)			Telephone No. (Include Area Code)		
Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above)		Title of Position(s) and Date(s) Held					
Presidential Nominee Subject to Senate Confirmation		Name of Congressional Committee Considering Nomination		Do You Intend to Create a Qualified Diversified Trust?			
		Not Applicable		<input type="checkbox"/> Yes <input type="checkbox"/> No			
Certification		Signature of Reporting Individual			Date (Month, Day, Year)		
I CERTIFY that the statements I have made on this form and the attached schedules are true, complete and correct to the best of my knowledge.							
Other Review (If Used by Agency)		Signature of Other Reviewer			Date (Month, Day, Year)		
Agency Ethics Official's Opinion		Signature of Designated Agency Ethics Official/Reviewing Official			Date (Month, Day, Year)		
On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments in the box below).							
Office of Government Ethics Use Only		Signature			Date (Month, Day, Year)		
Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)							
Supervisor's Certification: I have reviewed the interests reported on this form in light of the duties (Check box if filing extension granted & indicate number of days _____) <input type="checkbox"/> required by the reporting individual's position. I am satisfied that there is no actual or potential conflict of interest. (If remedial action is required or additional explanation is necessary, use reverse side.)							
Supervisor's signature: _____ (Check box if comments are continued on the reverse side) <input type="checkbox"/>							
Agency Use Only							
OGE Use Only							

Supersedes SF 278 Editions.

OGE Form 278: Who Files?

1. Generals & Admirals (O-7 and above)
2. Senior Executive Service (SES, career and non-career) & Senior Level (SLs)
3. Non-GS employees (including IPAs, SGEs, and HQEs) earning 120% + of GS 15, step 1 (\$119,553.60, as of January 2011)
4. PAS (Presidential Appointees with Senate Confirmation)
5. Political Appointees (Schedule C) (regardless of income)
6. Civilians detailed to positions covered by 2, 3, & 5 above
7. Reserve and National Guard officers (O-7 and above) if they served on active duty 61 + days/CY

Exception: If expected to work less than 61 days/CY

OGE Form 278: New Entrant

Program Requirements:

- Ethics counselors must *identify* and *notify* filers, and *collect* reports
- Get monthly HR reports of:
 - New SES promotions, O-7 promotions (not frocking), and new employees at appropriate pay level
 - Transferring and terminating employees

OGE Form 278: New Entrant Filing Deadline, Timelines & Info

Timelines:

- Reporting Periods:
 - Schedule A (prior CY and current CY up to date of filing)
 - Schedule B should be included but NOT filled out
 - Schedule C
 - Part I (prior CY and current CY up to certain date)
 - Part II (as of the date of filing)
 - Schedule D (prior two CYs and current CY up to date of filing)
- Retain reports 6 years

OGE Form 278: New Entrant Filing Deadline, Timelines & Info

Deadlines:

- Due Dates:
 - New Entrants: Within 30 days of assuming duties
 - SGEs: Within 15 days of 61st day of duty
 - Nominees: Between nomination and 5 days after transfer of nomination to Senate
- Not applicable to employee leaving a covered position within last 30 days
- Initial Review within 60 days of Agency receipt

OGE Form 278: New Entrant Filing Deadline, Timelines & Info

- PGE Certification (See model certification) OGE 278 filers must file annual certifications that:
 - They are aware of disqualification and employment restrictions; and
 - They have not violated them

Tip: Collect certifications w/new entrant, annual or termination reports.

Tip: Try to personally meet each new entrant OGE 278 filer.

OGE Form 278: Incumbent Filing Deadline, Timelines & Info

Deadlines:

- Due Date: No earlier than January 1 and no later than May 15.
- Not Required for anyone who filed a new entrant report after November 1 of the previous CY

Timelines:

- Reporting Periods:
 - Schedules A, B and C, Part I: prior CY
 - Schedules C, Part II, and D, Part I: prior CY and current CY up to filing date
 - Annual filers do not complete Schedule D, Part II
- Retain Reports for 6 years

OGE Form 278: Termination Filing Deadline, Timelines & Info

Timeline & Info:

- Reporting Periods:
 - Schedules A, B, C, and D Part I - cover the period between the last report and the date of termination
 - Do not complete Schedule D, Part II
- Retain for 6 years

OGE Form 278: Termination Filing Deadline, Timelines & Info

Deadline:

- Due Date: NLT 30 days after termination—after expiration of all permissive and terminal leave
- Combined annual/termination report permissible if employee leaves immediately after May 15.
- Not required for employees assuming another OGE Form 278 position within 30 days.

OGE Form 278: Extensions

- Agency Extension: 90 days total.
 1. Initial - up to 45 days; granted by DAEO (or designee), for “good cause shown.”
 2. Additional Agency Ext – like above, up to 45 days; granted by DAEO (or designee), but *must* be in writing, for “good cause shown.”
- Combat Zone: Automatic extension for 180 days after return from deployment in war zone, or release from hospital.

OGE Form 278: Review

- Initial Review: (IR) Conduct review (technical deficiency reviews can suffice) within 60 days. No extensions!
- After review:
 - ✓ Get answers to questions that have come up
 - ✓ Conduct conflicts of interest review
 - ✓ Implement remedial action
 - ✓ Certify/sign report

OGE Form 278: Documentation

- Good program tracking system is critical!
 - Record new, transfer, promotions, and terminating filers
 - Track positions and filing requirement
- Good data tracking is critical!
 - Date of submission, signature and receipt
 - Record of and completion of 60 day initial review and other review requirements
 - Any information required for OGE's annual questionnaire
 - Retain reports for 6 years

OGE Form 278: Time Management

- Create and post sample report with correct entries
- Offer training on filling out reports
- Offer available software (e.g., FDM)
- Be available for questions
- Provide copy of previous report
- Recommend written procedures
- Train legal support staff
- Timely review and forwarding to final reviewer



Public v. Confidential



OGE Form 278: Enforcement

- Grace Period is not an automatic extension.
- Personal \$200 fine for late filing
- Notice and Waiver
- Worse....



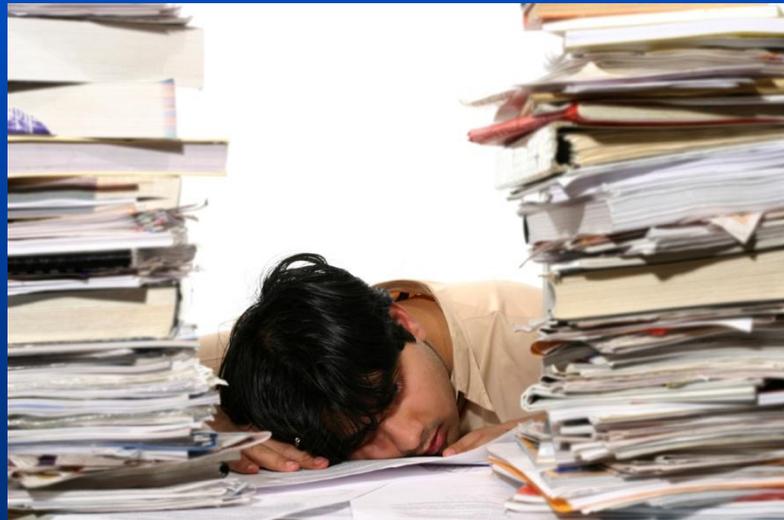
CONFIDENTIAL FINANCIAL DISCLOSURE



**OGE Form 450
Optional Form 450-A
& Other**

OGE Form 450: Your Job

- Manage the program
- Limit the number of filers!
- Review Reports
- Counsel and Remedy Conflicts



OGE Form 450: Program Notes

- Maintain filer list (by name/position)
- Conduct annual review of “covered positions”
- Utilize Action Officers (AO) for processing
- Use new entrant, annual and late notices from AO/EC
- Get enforcement follow up

OGE Form 450: Who Files?

RULE: Those not required to file OGE 278 but in a “covered position” (or detailees)

a. **Military:** COs, XO's, Heads, & Dept. Heads of:

- NAVY: shore installations with more than 500 employees
- Army, Air Force, Marines: all bases, installations, and air wing activities



OGE Form 450: Who Files?



b. Special Government Employees:

consultants, or those on temporary duty for 130 days or less in any 365 day period, including reservists and Nat'l Guard.

OGE Form 450: Who Files?

- c. Military & Civilian Employees: GS-15 and below (or comparable pay level), or military personnel below 0-7, when . . .
 1. The **Agency** concludes they “*participate personally & substantially*” through decision or exercise of significant judgment, *and without substantial supervision*, in taking official action for:

OGE Form 450: Who Files?

C. Military & Civilian Employees: (cont'd)

- 1) The Agency determines.... in taking official action for:
 - a) Contracting or procurement;
 - b) Administering grants, subsidies or licenses;
 - c) Regulating or auditing any non-Federal entity;
or
 - d) Other activities in which the final decision may have a direct and substantial economic impact on the interest of any non-Federal entity.
- 2) Supervisor determines position requires filing.

OGE Form 450: Who Files?



d. Civilian Employees:

- Intergovernmental Personnel Act (IPA) appointees (7-300.a.(5) superceded).
- Those not required to file SF 278 but detailed to “covered positions”

OGE 450: Who Files?

Exclusions



- a. Agency heads may exclude positions with:
 - Remote possibility of conflict of interest; or
 - Low level of responsibility

OGE 450: Who Files?

Exclusions

Excluded Positions:

- DoD specifically excludes Non-procurement personnel with authority to purchase:
 - <\$2,500 / purchase and
 - <\$20,000 / year
- Army, Navy, Air Force and OSD have specified additional exclusions.
- OGE Optional Form 450-A filers
- No right to appeal agency filing determination

OGE 450: New Entrant Reports

Who files?

- New employees
- Transfers (get a copy of their prior 450)
- Personnel whose duties change
- Personnel who are promoted
- SGE (always New Entrants)

OGE 450: New Entrant Reports

Filing Deadline, Timelines & Info

Deadlines:

- OGE 450 must be filed within 30 days of assuming a new position or new duties
- DoD SGEs, and activated Reservists & National Guard must have reports filed prior to assuming duties
- Extensions (up to 90 Days admin or Combat Zone)

Timelines & Information:

- Reporting Period: 12-month period prior to signature
- Initial reviews (IRs) must be conducted within 60 days from agency receipt
- Reports must be retained for 6 years

OGE 450: Annual Reports

Filing Deadline, Timelines & Info

Deadlines:

- February 15
- No automatic extensions
- Document all extensions
 - Admin Ext: Ethics Counselor (or designee) may grant extensions (90 days)
 - Combat zone ext: deployed or away from permanent duty station (90 days)
- Initial review must be completed within 60 days from agency receipt date

Timelines & Information:

- Must have been employed in covered position 60+ days during prior calendar year
- Reporting Period: previous calendar year
- Use correct OGE Form 450 (June 2008)
- Retain reports 6 years

OGE 450: Annual Reports

Use of OGE OF 450-A:

- Annual OGE Form 450 filers only
- Cannot use more than 3 years in a row
- Cannot be used in years divisible by four starting in 2000
- Filer must attach most current OGE Form 450
- Supervisor must review and certify
- SGE may not use 450-A

OGE 450: Documentation

- Develop good tracking system, e.g., excel tracking example
- Date of filing = Agency Receipt
- Fill in filer data gaps - reconcile lists and document filing determinations
- Retain reports for required 6 years
- Reference filer information, e.g., ethics guidance received on gifts, travel, seeking employment etc.

OGE 450: Final Conflict Review

1. Conduct after initial, technical deficiency review
2. Conduct substantive conflict review
 - See OGE memorandum 00x8 on diversified and sector mutual funds
 - Be persistent and use tickler system
3. Send letters warning of potential conflicts
4. Annotate report with all revisions, clarifications, remedial action taken.
5. Remedy conflicts
6. Certify report

OGE 450: Time Management

What can you do to help make the process work more effectively and efficiently?

- Sample forms/memos on SOCO Website
- Offer training on filling out reports
- Offer available software
- Be available for questions
- Provide copy of previous report
- Recommend written procedures
- Train legal support staff



OGE 450: Collection/Enforcement

- No \$200 Filing Fee
- Ultimate Threat: Reassignment/
Removal
- If report is late, request
administrative action
- Get command support
- OGE annual reporting requirements



OGE 450: Confidentiality of Process



OGE Form 450 v 278

OGE Form	450	278
<p>Who Files</p>	<ul style="list-style-type: none"> • <u>Military</u> - COs, XO's, Heads, & Dept. Heads... • <u>Civilian/Military</u> - GS 15/ O-6 and below with certain duties • Special Gov't Employees • Most IPAs/HQEs • Certain Reservists & National Guard 	<ul style="list-style-type: none"> • Political Appointees • SES • General Officers (O-7 and above, including reservists w/ 61+ days service) • SES equivalent or detailees • Certain IPA/HQE

OGE Form 450 v 278

OGE Form	450	278
Reports	<ul style="list-style-type: none"> • New Entrant (NE) • Annual (A) 	<ul style="list-style-type: none"> • New Entrant • Incumbent (INC) • Termination (T)
Deadlines	<ul style="list-style-type: none"> • <u>NE</u>: w/in 30 • <u>A</u>: no earlier than 1 Jan, no later than 15 Feb. • <u>Combat Ext</u>: only 90-days 	<ul style="list-style-type: none"> • <u>NE</u>: w/in 30 • <u>INC</u>: no earlier than 1 Jan, no later than 15 May. • <u>T</u>: w/in 30 • <u>Combat Ext</u>: 180 days

OGE Form 450 v 278

OGE Form	450	278
Reportable Info	<ul style="list-style-type: none">• No non-sector mutual funds• No values• No income type	<ul style="list-style-type: none">• All investment assets, including mutual funds• Value ranges• Income amount & type
Reportable Periods	<ul style="list-style-type: none">• <u>NE</u>: 12 months preceding assuming duties of covered position	<ul style="list-style-type: none">• <u>NE</u>: last calendar year through current year date of appointment or filing

OGE Form 450 v 278

OGE Form	450	278
Penalty	<ul style="list-style-type: none">• Administrative action for failure to file	<ul style="list-style-type: none">• Criminal, civil and administrative penalties for: failure to file, false information, etc.

THE END

Thank you for
your attention!