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# ***Advanced Financial Disclosure***



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

Spring 2019

**UNCLASSIFIED**



# *Keep Your Eyes on the Prize!*

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- What's the goal of financial disclosure?
  - Identify potential conflicts
  - Increase transparency
- Who benefits & how?
  - Agency
  - Filers



# *Ethics Counselor's Role*

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- EC responsibility is to review financial disclosure reports for compliance with all applicable ethics laws and regulations and identify potential conflict of interest or impartiality concerns.
- EC responsibilities do not include:
  - Determining the underlying legality of a particular company's business practices.
  - Assessing the effect of a particular holding on other Federal requirements, such as security clearances.



# Process vs. Substance

## Administer Program:

- Identify filers
- Notify & educate filers and supervisors
- Meet deadlines
- Record keeping & system maintenance



## Disclosure Review:

- Technical review
- Conflict of interest analysis
- Timely Certification
- Remedies (as warranted)



# ***PUBLIC FINANCIAL DISCLOSURE***

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# PUBLIC FINANCIAL DISCLOSURE

(OGE Form 278, dated Jan 2019)

OGE Form 278e (Updated Jan. 2019) (Expires 12/31/21)  
U.S. Office of Government Ethics; 5 C.F.R. part 2634 | Form Approved: OMB No. (3209-0001)



Report Type:	
Year (Annual Report only):	
Date of Appointment/Termination:	

## Executive Branch Personnel Public Financial Disclosure Report (OGE Form 278e)

<b>Filer's Information</b>				
Last Name	First Name	MI	Position	Agency
Other Federal Government Positions Held During the Preceding 12 Months:				
Name of Congressional Committee Considering Nomination (Nominees only):				
Filer's Certification - I certify that the statements I have made in this report are true, complete and correct to the best of my knowledge:				
Signature:			Date:	
Agency Ethics Official's Opinion – 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 below)				
Signature:			Date:	
Other Review Conducted By:				
Signature:			Date:	
U.S. Office of Government Ethics Certification (if required):				
Signature:			Date:	
Comments of Reviewing Officials:				

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# ***PUBLIC FINANCIAL DISCLOSURE***

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## **Integrity Filing**

- OGE indicates expectation that DoD will roll in for CY 2020 Filing season (next year).
- SOCO working with Integrity PM/tech to determine whether required system change requests (SCRs) can and will be fielded by then.
- Be Prepared! – If we roll in for CY 2020, your reports must be certified by mid-August in order for the data to migrate from FDM to Integrity and enable your filers to pre-populate next year. Limit extensions!



# ***PUBLIC FINANCIAL DISCLOSURE***

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## **PGE Certification Now Updated**

- DoD OGE 278 filers must certify that they are aware of disqualification and employment restrictions and have not violated them.
- FDM & Integrity provide as part of e-signing/ submission – no need to collect paper versions.





# ***PUBLIC FINANCIAL DISCLOSURE***



## **OGE Updates Public Financial Disclosure Regulations eff. January 2019 (LA 18-10)**

- Adds Periodic Transaction Reporting per the STOCK Act (Pub. L. No. 112-105, 126 Stat. 291 (2012).
- Adds requirement for PAS officials to report mortgages on personal residences (GO/FO not mentioned).
- Adds combat zone extension.
- Clarifies that “income” means income received not accrued.
- Categorically excludes from public filing employees paid at GS-13 level or below if no policy-making role
- Adds submission of Termination reports 15 Days prior to separation with obligation to update
- Revises valuation process for gifts of event tickets –now face value of the ticket (no food/bev deduction)
- Revises definition of “Widely Diversified” making Part 2634 EIF and Part 2640 Exemption definitions match.



# OGE Form 278: Who Files?

## Position Based

- Generals & Admirals (O-7 and above)
- Senior Executive Service (career & non-career) & Senior Level (SLs)
- **Non-GS employees (including IPAs, and SGEs) earning 120% + of GS 15, step 1 (\$127,914, eff. January 2019)**
- PAS (Presidential Appointees with Senate Confirmation)
- Political Appointees (Schedule C) (regardless of income, unless OGE excepted or DAEO excepted for GS-13 and below)
- **Civilians detailed to covered civilian positions > 60 days**
- **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: Who Files?

## **Detailees & General/Flag Officers:**

- Initial Review for substantive conflict analysis is best done where filer is currently working, but ownership of original reports and responsibility for certification of reports is home organization.
- E.g., for GO/FO serving as agency heads for Defense agencies, the Defense agencies may complete initial review and substantive conflict review, but final certification and retention of report should be their Service. (Note – current practice varies but this is the ultimate goal.)



# ***OGE Form 278: New Entrant & Annual***

## **Due Dates:**

- New Entrant – 30 days after appointment
  - Detailees – 15 days after 61<sup>st</sup> day
- Annual – May 15th

## **Common Issues:**

- Identifying new filers
- Ensuring complete report data
  - Correct reporting periods (Parts 1 & 4)
  - Spousal data
  - Sources of income > \$5K





# ***OGE Form 278: Termination***

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## **Common Issues:**

- Standard Due Date: NLT 30 days after termination — after expiration of all permissive and terminal leave.
- Combined annual/termination:
  - Only permissible if employee leaves between May 15 and Aug 13.
  - No extensions beyond Aug 13 – so may be due less than 30 days after termination.
- Staying in touch with filers post-separation.



# ***OGE 278-T: Periodic Transaction Report***

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## **Common Issues:**

- Non-filing – Use Outlook calendar invite to remind filers.
- Confusing deadline - Must file earlier of (1) 45 days after the transaction; or (2) 30 days after notification of the transaction.



# OGE Form 278: Extensions

- Agency Extension: 90 days total.
  - Initial - up to 45 days; granted by DAEO (or designee), for “good cause shown.”
  - 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.
- 278-T Only - can grant before or after deadline (see OGE LA 12-04 ).

**DEADLINE  
\*EXTENDED\***



# OGE Form 278: Enforcement

- Grace Period is not an automatic extension.
- Personal \$200 fee for late filing
- Agency debt collection
- Worse...referral to DOJ (required) & \$50,000+ fine.







# ***CONFIDENTIAL FINANCIAL DISCLOSURE***

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**OGE Form 450**



# CONFIDENTIAL FINANCIAL DISCLOSURE

(OGE Form 450, dated Jan 2019)

OGE Form 450, 5 CFR Part 2634, Subpart I  
 U.S. Office of Government Ethics (Jan. 2019)  
 Expires 11/30/21

Form Approved  
 OMB No. 3209-0006

Date Received by Agency

Page Number

## CONFIDENTIAL FINANCIAL DISCLOSURE REPORT

Executive Branch

Employee's Name ( <i>Print last, first, middle initial</i> )		E-mail Address	
Position/Title			Grade
Agency		Branch/Unit and Address	
Work Phone	Reporting Status New Entrant <input type="checkbox"/> Annual <input type="checkbox"/>		If New Entrant, Date of Appointment to Position ( <i>mm/dd/yy</i> )
Check box if Special Government Employee (SGE) <input type="checkbox"/>	An SGE is an executive branch officer or employee who is retained, designated, appointed, or employed to perform temporary duties either on a full-time or intermittent basis, with or without compensation, for a period not to exceed 130 days during any consecutive 365-day period.		
If an SGE, Mailing Address ( <i>Number, Street, City, State, ZIP Code</i> )			

Step 1: Read the instructions for Parts I through V on the following pages.

Step 2: For each statement below, check Yes or No to describe your situation.

I. I have reportable assets or sources of income for myself, my spouse, or my dependent children.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
II. I have reportable liabilities (debts) for myself, my spouse, or my dependent children.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
III. I have reportable outside positions for myself.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
IV. I have reportable agreements or arrangements for myself.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
NOTE: Statement V is for <u>annual</u> filers only. It does not apply to new entrants and SGEs. V. I have reportable gifts or travel reimbursements for myself, my spouse, or my dependent children.	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Step 3: If you selected Yes for any statement, you must describe the reportable interests that you have in the corresponding Part (I, II, III, IV, or V) of the form.

Step 4: Sign and date the form.

Step 5: Submit the completed form to your ethics office.

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 ( <i>mm/dd/yy</i> )
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FOR REVIEWERS' USE ONLY:

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# CONFIDENTIAL FINANCIAL DISCLOSURE



## OGE Updates Public Financial Disclosure Regulations eff. January 2019 (LA 18-10)

- Revised threshold for reportable income from “over \$200” to “over \$1000”
- Removed requirement to report an agreement to participate in a defined contribution plan to which former employer no longer contributes
- Removed requirement to report diversified fund held in an employee benefit plan
- New Entrants – no longer need to report holdings below \$1000 value even if generated over \$1000 in income



# OGE Form 450: Who files?

## Duties Based

- Not automatic – requires analysis & constant data scrubs
  - Annual reviews of “covered positions”
- Utilize Action Officers (AO) / FDM POCs /Supervisors
- Filer Determination Worksheet (OGE Website)



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# OGE Form 450: Who Files?

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

a) **Military:** COs, XOs, Heads/Deputy 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?

A large, 3D-style yellow arrow pointing from the top left towards the text box.

**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.\*

*\* Army, Navy, and OSD have made separate determinations to exclude reservists from filing unless a supervisor determines that their duties trigger the filing requirement under 5 C.F.R.*

*2634.904(a)*



# OGE Form 450: Who Files?

**c) Military & Civilian Employees:** GS-15 or below and military personnel below O-7, when the following circumstances apply:



1. The Agency concludes they “participate personally & substantially” through decision or exercise of significant judgment, and without substantial supervision, in taking official action for:

- Contracting or procurement;
- Administering grants, subsidies or licenses;
- Regulating or auditing any non-Federal entity; or
- 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 to avoid real or apparent conflicts of interest.



# OGE From 450: Who Files?



## d. Other Civilian Employees:

- Intergovernmental Personnel Act (IPA) appointees.
- Those not required to file OGE 278 but detailed to “covered positions” for more than 60 days.
- CORs – as determined by CO IAW DoDI 5000.72.





# OGE 450: Who Files?

## Exclusions:



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



# OGE 450: Who Files?

## Excluded Positions:

- OSD and the Military Services specifically exclude non-procurement personnel Govt purchase card holders who make annual purchases totaling less than the simplified acquisition threshold and whose duties would not otherwise require them to file.
- Army, Navy, and OSD have excluded Reservists unless the supervisor determines otherwise.
- No right to appeal agency filing determination beyond agency head or designee

**EXCLUSION ZONE**



# OGE 450: Filing Deadline, Timelines & Info

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- **Deadlines:**
  - New Entrant - within 30 days of assuming a designated filing position or for non-designated positions, notification that new duties now requiring filing
  - Annual – February 15th
- DoD SGEs, and activated Reservists & National Guard must have reports filed prior to assuming duties
- Extensions (up to 90 Days - admin or Combat Zone)



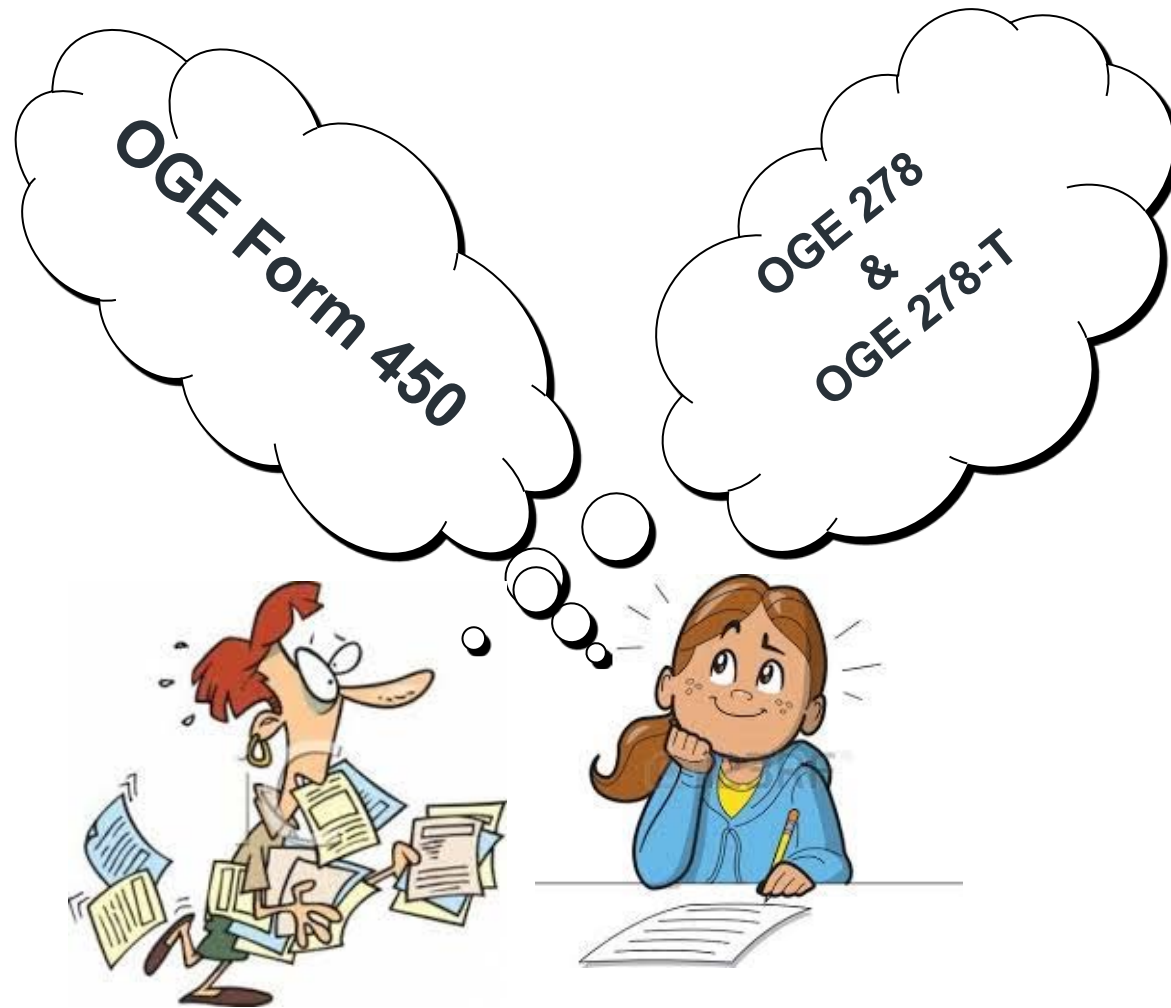
# OGE 450: Enforcement

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





# FINANCIAL DISCLOSURE: Commonalities





# ***FINANCIAL DISCLOSURE: Common Rules***

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## **Rules that apply to ALL financial disclosures:**

- New Entrant reports due 30 days after filer assumes position
- Extension for filing reports must be for “good cause” and cannot exceed 90-days. Extensions beyond 45-days must be granted in writing.
- Due dates that fall on a non-business day roll to the next business day.
- Retain reports for 6 years from date of receipt (absent investigative hold).
- Privacy Act Notice: Filers should always be alerted to the fact that over-reporting is ill-advised and for 278 Filers, reports may not be redacted before release.



# ***FINANCIAL DISCLOSURE: Reviews***

## **Review Requirements for ALL Reports:**

- Reports ***must be certified within 60-days*** of agency receipt unless the reports require additional information or remedial action. (PA-11-04)
  - For agencies with intermediate certification and multiple review levels, OGE will determine that an agency is in compliance if (1) someone designated as a reviewing official has reviewed the report and (2) that reviewing official certifies that the report is in compliance with applicable laws and regulations.
- Report should stand alone – make substantive revisions/clarifications via comments “of record” or have filer amend.
- Attach caution notices and/or DQs if no centralized filing system
- Educate filers:
  - Over-reporting is ill-advised and public reports may not be redacted before release.
  - Proper reporting helps them going forward (pre-populating future reports, transaction reporting).

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# ***FINANCIAL DISCLOSURE: Electronic Filing***

- Electronic filing (FDM or Integrity) is mandatory for ALL disclosure reports (278 & 450)
  - DAEO or designee may except where not feasible (e.g., filers with no CAC or no DoD computer access)
  - OGE 278 – DSD Memorandum “Mandatory Electronic Filing of Public Financial Disclosure Reports”, November 25, 2015
  - OGE 450 - DSD Memorandum “Mandatory Electronic Filing of Confidential Financial Disclosure Reports”, July 19, 2016







# ***FINANCIAL DISCLOSURE: Electronic Filing***

## Programs:

- Financial Disclosure Management (FDM) system –
  - Army is Executive Agent – legacy system
  - OGE 278 & OGE 450s
    - OGE 278 data entry still follows old form but generates new form
  - Automated routing to supervisor
  - Automated PGE & early OGE 278 Term Report Certs (public)
- Integrity
  - OGE system hosted on OMB Max website
  - Reports can migrate from FDM
  - All OGE certified OGE 278 reports (e.g., PAS & DAEO) must be filed through Integrity beginning 2016.
  - Other DoD 278 filers – no firm date. Not anticipated to file through Integrity sooner than 2019.



# ***FINANCIAL DISCLOSURE: Electronic Filing***

## **Benefits of Electronic Filing:**

- Ethics Officials –
  - Properly entered data feeds annual OGE questionnaire.
  - Data Tracking - Easily track filing and review status
  - Automated routing to supervisor and PGE certification (public filers)
  - Commenting & Attachment functions – provides continuity & avoids duplication
- Filers – Pre-population makes subsequent filing a breeze.



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# ***FINANCIAL DISCLOSURE: Integrity.gov***

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## **Features:**

- No CAC or DoD computer access required to use
  - Filers can make spouses, accountants, or others “Designees” to assist them
- Reviewers can make changes to reports without:
  - Having to be made a Designee or “Filer Assistant”
  - Requiring the filer to amend the report in the system
- Report data can be custom sorted in live screens
- Entries can be moved between parts (vice deleted and re-entered)
- OGE 278T – filer self-assigns and can pre-populate annual with these.



# ***FINANCIAL DISCLOSURE: Electronic Filing***

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## Tips:

- Maintain Notice Templates for use in FDM and/or Integrity (New entrant, annual, termination, supervisory, delinquencies, etc.)
- Ensure accurate data entry
  - Filer type
  - Appointment dates
  - Proper use of “override due date” vice “record an extension”
  - Proper use of “Delete report” vice “Admin close” – removal of assignment
- Use commenting & attachment functions!
- Use Management Reports!



# OGE Form 278: Documentation

## Management Reports – Disclosure Report Detail

Year	Filer	Filer E-mail	Submission Date	Reporting Status	Review Status	Supervisor	Signed By Supervisor
2017	STACK, ALISA M	alisa.m.stack.civ@mail.mil	03/16/2017	Incumbent	Under Review	WHELAN, THERESA	04/05/17
2017	TEEPL, BRIAN S	brian.s.teeple2.civ@mail.mil	04/05/2017	Incumbent	Under Review	FINAN, SANDRA	04/05/17
2017	THOMAS-RIZZO, RENE K	rene.k.thomas-rizzo.civ@mail.mil	04/13/2017	Incumbent	Under Review	MACSTRAVIC, JAMES	04/13/17
2017	WARNER, WENDELL C	wendell.c.warner.civ@mail.mil	04/10/2017	Incumbent	Under Review	MATTHEWS, THOMAS	
2017	BORMAN, LEEANN M	leeann.m.borman.civ@mail.mil	03/08/2017	New Entrant	Under Review	HEDGER, STEPHEN	
2017	BUCHHOLZ, KEITH E	keith.e.buchholz.civ@mail.mil	02/02/2017	New Entrant	Under Review	RODRIGUEZ, ROBERTO	02/03/17
2017	CROCKETT, THOMAS A	thomas.a.crockett3.civ@mail.mil	01/17/2017	Termination	Under Review	DUMA, DAVID	
2017	FEEHAN, DANIEL P	daniel.p.feehan.civ@mail.mil	01/19/2017	Termination	Under Review	KURTA, ANTHONY	
2017	GANS, JOHN A	john.a.gans.civ@mail.mil	01/19/2017	Termination	Under Review	HEDGER, STEPHEN	



# Contact Info & Resources

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DoD Standards of Conduct Office  
703-695-3422  
[osd.soco@mail.mil](mailto:osd.soco@mail.mil)  
[http://ogc.osd.mil/defense\\_ethics/](http://ogc.osd.mil/defense_ethics/)



**THE END**

Thank you for  
your attention!

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