

February 17, 2009

Mr. Walter A. Hall (023)
Assistant General Counsel and
Designated Agency Ethics Official
U.S. Department of Veterans Affairs
Washington, D.C. 20420

Dear Mr. Hall:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Deputy Secretary of the U.S. Department of Veterans Affairs.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

I will retain my unpaid position as Managing Director in AVA Partners which I own with my spouse. Upon my appointment AVA Partners will cease doing business and remain dormant during my tenure as Deputy Secretary. Neither my spouse nor I will manage or provide services for AVA Partners, except that we will comply with any requirements involving legal filings, taxes and fees that are necessary to maintain the Partnership while it is in an inactive status. Currently, there are no outstanding receivables owed to the partnership. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of AVA Partners, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1).

I currently serve as Vice President, Public Sector Strategy for IBM Global Business Services. Upon confirmation I will resign this position. I currently hold the following IBM equities: stock; unvested and vested stock options; and vested and unvested restricted stock units. I will forfeit the unvested stock options and unvested restricted stock units upon resignation. Within 90 days of my appointment I will divest of my stock, vested stock options, and vested restricted stock units. I will not participate personally and substantially in any particular matter that has a direct and predictable affect on the financial interests of IBM until I have divested of these interests, unless I first obtain a written waiver

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pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Following my resignation from IBM, I will receive a cash bonus for my performance during calendar 2008. IBM will calculate this bonus pursuant to its bonus matrix. Pursuant to the Company's standard practice year end bonuses are not paid until June of the following year. Until I receive this payment, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of IBM to make this payment, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Subsequent to divestiture of these IBM assets I will still have a "covered relationship" with IBM for a period of one year from the date of my resignation as Vice President, Public Sector Strategy. Hence for a period of one year after my resignation from IBM I will not participate personally and substantially in any particular matter involving specific parties in which IBM is a party or represents a party, unless I am first authorized to participate pursuant to 5 C.F.R. § 2635.502(d).

I will divest my interests in the following entities, within 90 days of my appointment: Cantel Medical Corp.; Microsoft, Corp.; Oracle, Corp.; Prudential Financial; Retirement Jobs.com and Time Domain. With regard to each of these entities I will not participate personally and substantially in any particular matter that has a direct and predictable affect on the financial interests of the entity until I have divested of it, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I understand that I may be eligible to request a Certificate of Divestiture for the above assets and my IBM assets, and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Regardless of whether I receive a Certificate of Divestiture, I will divest these assets within 90 days of my confirmation and will invest the proceeds in non-conflicting assets.

I have been advised that the duties of the position of Deputy Secretary may involve particular matters affecting the interests of Coca Cola and United Parcel Service. The Department has determined that it is not necessary for me at this time to divest my interests in these entities because the likelihood that my duties will involve any such matter is remote. Accordingly, I will not participate personally and substantially in any particular matter that will have a direct and predictable effect on the financial interests of either of these entities unless I first

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obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I am a non-managing member of Aegis Capital Corp, LLC , a company established to make private equity investments that will support the growth of homeland security-related enterprises in foreign countries. I will not participate personally and substantially in any particular matter that will have a direct and predictable effect on the financial interests of Aegis or any of its underlying assets unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Lockheed Martin recently purchased Unitech Corporation, in which Company I was a principal and a Director. Lockheed Martin has already paid me 70 percent of the purchase price for my interest in Unitech. Lockheed Martin is deferring payment of the remaining 30 percent of the purchase price with payments to occur in January 2010 and January 2011. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of Lockheed Martin to make these payments, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

The Brookings Institution Press has published a book which I coauthored *The People Factor: Strengthening America by Investing in the Public Service*, currently available on line and due in bookstores March 4, 2009. The Brookings Institution will pay me royalties based on the sale of this book. I will not participate personally and substantially in any particular matter involving specific parties in which the Brookings Institution is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon appointment I will resign from the following positions: class agent for Roxbury Latin School Annual Fund; trustee of the Dolores C. Gould Irrevocable Trust, and member of the Board of Directors of Time Domain Corporation and Retirement Jobs.com. For a period of one year after my resignation from each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). I note the additional recusal I have in connection with particular matters affecting the interests of Time Domain Corporation and Retirement Jobs.com until I divest of my interests in those companies.

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I will retain, in name only, my position as a fellow in the National Academy of Public Administration. I will not participate personally and substantially in any particular matter involving specific parties in which the Academy is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I will also retain my position as co-trustee of the W. Scott Gould and Michele Flournoy Revocable Trusts. I will not receive any fees for the services that I provide as co-trustee during my appointment to the position of Deputy Secretary. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of the trusts or on those of the issuers of securities that they hold unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Sincerely,

A handwritten signature in cursive script that reads "William Scott Gould". The signature is written in black ink and is positioned above the printed name.

William Scott Gould