

Stephen Preston
General Counsel and
Designated Agency Ethics Official
Office of the General Counsel
Department of Defense
1600 Defense Pentagon
Washington DC 20301

FEB 7 2014

Dear Mr. Preston:

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 Defense.

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.

During my term of office, neither my spouse nor I will invest in any company identified as a Department of Defense contractor or any other entity that would create a conflict of interest with my Government duties. I understand that if any company in which my spouse or I invest enters into a contract with the Department of Defense, my spouse or I will be required to divest that interest. I further understand that I may request a Certificate of Divestiture from the U.S. Office of Government Ethics for these assets and that a Certificate of Divestiture is effective only if obtained prior to divestiture. I also understand, however, that my spouse or I must divest such assets whether or not I receive a Certificate of Divestiture.

Upon appointment, I will resign from my position at the Center for a New American Security (CNAS). When I assumed the CNAS position pursuant to my contract with CNAS, I was entitled to a signing bonus from CNAS in the amount of \$6,555.00, which has not yet been paid. Until I have received 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 CNAS to make this payment to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. 208(b)(1). In addition, for a period of two years after my appointment, I will not participate personally and substantially in any particular matter involving specific parties in which CNAS is a party

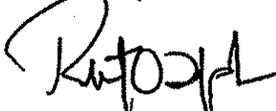
or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d) and section 3 of Executive Order 13490.

Finally, I understand that as an appointee I am required to sign the Ethics Pledge (Exec. Order No. 13490) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this and any other ethics agreement.

Within 90 days of appointment, I will implement the recusals in this ethics agreement by designating in writing an individual to screen me out of conflicting matters and to reassign those matters, providing the individual with a list of assets and parties giving rise to such conflicts, and notifying you when I have completed these implementing actions.

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with other ethics agreements of Presidential nominees who file public financial disclosure reports.

Sincerely,



Robert Work