



U.S. Department of Justice

Washington, D.C. 20530

Walter M. Shaub, Director
Office of Government Ethics
Suite 500
1201 New York Avenue, NW
Washington, DC 20005-3919

JUN 28 2017

Dear Mr. Shaub:

In accordance with the provisions of Title I of the Ethics in Government Act of 1978 as amended, I am forwarding the financial disclosure report of John E. Town. President Trump has announced his intent to nominate Mr. Town to serve as United States Attorney for the Northern District of Alabama.

We have conducted a thorough review of the enclosed report and have counseled Mr. Town on the ethics rules. Although it is not possible to provide for all of the specific circumstances which might give rise to a financial conflict of interest because the work of United States Attorneys involves a wide variety of matters involving specific parties, and it is not possible to predict where conflicts will arise until specific parties are identified, we have counseled Mr. Town on the applicable conflict-of-interest laws and regulations and, in particular, on the application of 18 U.S.C. § 208.

As required by 18 U.S.C. § 208 and the provisions of 5 C.F.R. § 2635.401 et seq., Mr. Town will not participate personally and substantially in any particular matter in which he knows that he has a financial interest directly and predictably affected by the matter, or in which he knows that a person whose interests are imputed to him has a financial interest directly or predictably affected by the matter, unless he first obtains a written waiver, pursuant to Section 208(b)(1), or qualifies for a regulatory exemption, pursuant to Section 208(b)(2). Mr. Town understands that the interests of the following persons are imputed to him: his spouse; minor children; any general partner of a partnership in which he is a limited or general partner; any organization in which he serves as an officer, director, trustee, general partner or employee; and any person or organization with which he is negotiating or has an arrangement concerning prospective employment. In determining whether a particular matter has a direct and predictable effect on his financial interests or on those of any other person whose interests are imputed to him, Mr. Town will consult with the Executive Office for United States Attorneys (EOUSA), General Counsel's Office, and will follow the procedures outlined in the United States Attorneys' Manual, Section 3-2.170 et seq. As stated in the attachment to this Ethics Agreement, Mr. Town understands and agrees to comply with the conflict of interest statute and regulations, and to follow the procedures set forth in this agreement.

Upon confirmation, Mr. Town will resign from his position as an Assistant District Attorney for the Madison County District Attorney's Office. For a period of one year after his resignation, Mr. Town will have a "covered relationship" under 5 C.F.R. § 2635.502 with the Madison County District Attorney's Office. We have determined that his participation in particular matters involving specific parties in which the Madison County District Attorney's Office is a party or represents a party will be authorized pursuant to 5 C.F.R. § 2635.502(d). However, Mr. Town will not be authorized to participate in particular matters involving specific parties in which he previously participated in his capacity as an Assistant District Attorney for the Madison County District Attorney's Office.

Mr. Town has a managed account, and he will direct the account manager to obtain his prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment funds that qualify for the exemption at 5 C.F.R. § 2640.201(a), obligations of the United States, or municipal bonds. Mr. Town will monitor whether the account manager is following this direction regarding prior approval.

Mr. Town will divest his interest in the Financial Select Sector SPDR Fund within 90 days of his confirmation. He will not participate personally and substantially in any particular matter that to his knowledge has a direct and predictable effect on the financial interests of this entity until he has divested it, unless he first obtains a waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualifies for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Mr. Town understands that he may be eligible for a Certificate of Divestiture for qualifying assets and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Regardless of whether he receives a Certificate of Divestiture, Mr. Town will ensure that all divestitures discussed in this agreement occur within the agreed upon timeframes and that all proceeds are invested in non-conflicting assets.

If Mr. Town relies on a *de minimis* exemption under 5 C.F.R. § 2640.201(b) with regard to any of his financial interests in sector mutual funds, he will monitor the value of those interests. If the aggregate value of his interests in sector mutual funds that concentrate in any one sector exceeds \$50,000, he will not participate personally and substantially in any particular matter that to his knowledge has a direct and predictable effect on the financial interests of any holdings of the funds that are in the specific sector in which the funds concentrate, unless he first obtains a written waiver pursuant to 18 U.S.C. § 208(b)(1), or qualifies for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Mr. Town's spouse is the owner of Sea Wire and Cable, Inc. and Sea Real Properties, LLC. For as long as Mr. Town's spouse continues to own Sea Wire and Cable, Inc., and Sea Real Properties, LLC, he will not participate personally and substantially in any particular matter that to his knowledge has a direct and predictable effect on the financial interests of either entity, unless he first obtains a written waiver, pursuant to 18 U.S.C. § 208(b)(1). Mr. Town also will not participate personally and substantially in any particular matter involving specific parties in which he knows a client of either entity is a party or represents a party, unless he is first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon confirmation, Mr. Town will resign from his uncompensated positions with the Congressional Medal of Honor Foundation, America's Warrior Partnership, Veterans Resource Success Group, and The Bennie Adkins Foundation. For a period of one year after his resignation from each of these organizations, he will not participate personally and substantially in any particular matter involving specific parties in which he knows that organization is a party or represents a party, unless he is first authorized to participate, pursuant to 5 CFR § 2635.502(d).

Mr. Town has been advised that the duties of the position of United States Attorney may involve particular confidential matters identified by the United States Attorney's Office (USAO) that may affect his financial interests. EOUSA has determined that it is not necessary at this time for Mr. Town to divest his financial interests because his recusal from particular matters in which these interests pose a conflict of interest will not substantially limit his ability to perform the essential duties of the position of United States Attorney. Immediately upon confirmation, EOUSA will prepare recusals for all particular matters in which Mr. Town will not be granted a waiver or will not qualify for a regulatory exemption.

The USAO has conducted a conflict review, and has found no additional conflicts of interest. Should additional conflicts arise, the USAO will seek the necessary waiver(s) or recusal(s) of the nominee immediately upon his confirmation. An appropriate screening mechanism will be identified and immediately upon appointment of the new United States Attorney, all USAO personnel will be advised in writing of all matters in which the new United States Attorney may not participate. The notification will specifically list the matters and identify the Acting United States Attorney for matters.

Mr. Town will meet in person with Department ethics officials during the first week of his service in the position of United States Attorney for the Northern District of Alabama in order to complete the initial ethics briefing required under 5 C.F.R. § 2638.305. Within 90 days of his confirmation, he will document his compliance with this ethics agreement by notifying Department ethics officials in writing when he has completed the steps described in this ethics agreement.

Mr. Town has 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 ethics agreements of other Presidential nominees who file public financial disclosure reports.

Finally, Mr. Town understands that as an appointee he is required to sign the Ethics Pledge (Exec. Order No. 13770) and that he will be bound by the requirements and restrictions therein in addition to the commitments he has made in this ethics agreement.

Based on the above agreements and counseling, I am satisfied that the report presents no conflicts of interest under applicable laws and regulations and that you can so certify to the Senate Judiciary Committee.

Sincerely,



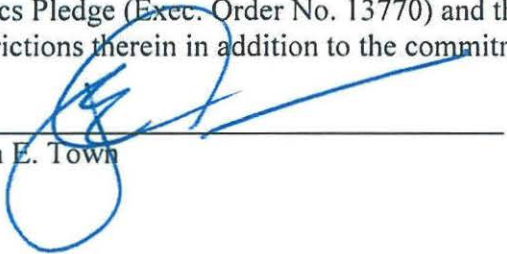
Lee J. Lofthus

Assistant Attorney General
For Administration and
Designated Agency Ethics Official

Enclosure

NOMINEE STATEMENT

I have read the attached Ethics Agreement signed by Lee J. Lofthus, Assistant Attorney General for Administration and Designated Agency Ethics Official on June 28, 2017, and I agree to comply with the conflict of interest statute and regulations, and to follow the procedures set forth in the agreement. In addition, I understand that as an appointee I am required to sign the Ethics Pledge (Exec. Order No. 13770) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.



John E. Town

June 28, 2017

Date