April 13, 2017

Ruth M.S. Vetter
Alternate Designated Agency Ethics Official
Office of the General Counsel
1600 Defense Pentagon
Department of Defense
Washington, DC 20301

Dear Ms. Vetter:

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 Under Secretary of Defense (Comptroller).

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, 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.

Upon confirmation, I will resign from my position as a non-equity partner with Kearney and Company, a certified public accounting firm. For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties in which I know Kearney and Company is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). Pursuant to my employment agreement, I will receive a lump sum annual performance bonus for calendar year 2017 based on my accomplishments up to the date of my resignation from the firm. Kearney and Company will use an objective formula to calculate this bonus. If I begin my service as Under Secretary prior to receiving this payment, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness of Kearney and Company to make this payment, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

Following my resignation, I also will receive a lump-sum payment for the vested portion of my interest in the Kearney and Company Senior Executive Retirement Plan, a portion of which is not yet vested. Until I receive payment for the vested portion, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness of Kearney and Company to make this payment, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

Kearney and Company will accelerate the vesting of the unvested portion of my interest in the Senior Executive Retirement Plan and will pay me for this portion before I assume the duties of the position of Under Secretary. I will forfeit this payment if I do not receive it before I assume the duties of the position of Under Secretary. If I receive this payment, I will not participate personally and substantially in any particular matter involving specific parties in which I know Kearney and Company is a party or represents a party for a period of two years from the date on which I receive the payment, unless I first receive a written waiver pursuant to 5 C.F.R. § 2635.503(c).

If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my 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.

If I rely on a *de minimis* exemption under 5 C.F.R. § 2640.201(b) with regard to any of my financial interests in sector mutual funds, I will monitor the value of those interests. If the aggregate value of my interests in sector mutual funds that concentrate in any one sector exceeds $50,000, I will not participate personally and substantially in any particular matter that to my 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 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 as an appointee I will be 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.

I will meet in person with you during the first week of my service in the position of Under Secretary in order to complete the initial ethics briefing required under 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

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

Sincerely,

David L. Norquist

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