



SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON DC 20301 1000

MEMORANDUM FOR DEPARTMENT OF DEFENSE GENERAL COUNSEL

SUBJECT ETHICS AGREEMENT COMPLIANCE

DATE 9/29/2011

This memorandum certifies that I am in compliance with the requirements of my ethics agreement

I was appointed as the position of the Secretary of Defense on July 1, 2011. In order to resolve any potential financial conflicts of interest, I agreed to ensure that my spouse and I divested certain stock and corporate bond interests identified in my ethics agreement no later than 90 days after appointment. This confirms that as of this date my spouse and I hold no interest in any of the identified entities.

Finally pursuant to the Ethics Pledge and my ethics agreement, I implemented a screening arrangement to ensure that I do not participate in particular matters in which I have a financial or personal conflict of interest. These arrangements were coordinated with you and are detailed in the enclosed document. Having accomplished divestiture of the identified interests, I am no longer recused from matters relating to those entities.

A handwritten signature in black ink, appearing to be "D. M. ...", with a long horizontal line extending to the right.

Enclosure as stated

cc Deputy Secretary of Defense
The Special Assistant
Military Assistant(s)
Standards of Conduct Office





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WASHINGTON DC 20301 1000

JUL 14 2011

MEMORANDUM FOR DEPARTMENT OF DEFENSE GENERAL COUNSEL

SUBJECT Secretary of Defense Screening Arrangement

This memorandum is to inform you of the screening arrangement I have imposed on myself to help ensure that I comply with my obligations as set forth in the Administration's Ethics Pledge and the Ethics Agreement I signed prior to my confirmation by the United States Senate. In particular, this screening arrangement details how I will refrain from participation in particular matters with which I have a financial interest, or a personal or business relationship

ETHICS PLEDGE OBLIGATIONS

Pursuant to the Administration Ethics Pledge I signed upon appointment as the Director of the Central Intelligence Agency on January 30, 2009, I will comply with Executive Order 13490 – Ethics Commitments by Executive Branch Personnel. This includes refraining from accepting gifts from registered lobbyists or lobbying organizations, unless an exception applies, and ensuring that all employment decisions are based on merit. Because more than two years have passed since my initial appointment, the restriction on participating in matters involving my former employer(s) and former client(s) has expired.

ETHICS AGREEMENT OBLIGATIONS

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).



Specifically, until I have divested the below stock and bond interests, I am disqualified from participating personally and substantially in any particular matter that would have a direct and predictable effect on the financial interests of the following defense contractors

Alcatel Lucent
AT&T
Bank of America
Centurylink
Comcast

General Electric
John Deere
Pacific Gas & Electric
Vodafone
Verizon

I anticipate that the divestiture process will be completed within 90 days of my appointment. I will notify you when I no longer hold these conflicting interests.

My spouse is the chair of the Board of Directors and the Director of the Panetta Institute for Public Policy. I will therefore not participate personally and substantially in any particular matter involving specific parties in which the Panetta Institute for Public Policy is a party or represents a party. Please be further advised that my spouse has agreed that, for the duration of my appointment as the Secretary of Defense, she will not communicate directly with the Department of Defense on behalf of the Panetta Institute for Public Policy or any client.

SCREENING PROCEDURE

In the event that a particular matter involving one of the defense contractors listed above comes to me for action, I am directing that the matter be referred to the Deputy Secretary of Defense (DSD) or, in his absence, to another senior defense official for appropriate disposition. This mandate remains in force until I have divested my interest in these defense contractors, which should be accomplished by September 29, 2011.

In order to help ensure that I do not participate in matters relating to these defense contractors, I have taken or will take the following steps:

- I instructed The Special Assistant to the Secretary of Defense (SA) and my Military Assistants (MAs) to screen all matters directed to my attention to determine if any involve the defense contractors listed above.
- If The SA or one of my MAs determine that any of the defense contractors listed above is a party or represents a party to a matter, he or she will refer the matter to the DSD or other appropriate official for action or assignment, without my knowledge or involvement.
- In order to help ensure that I do not inadvertently participate in matters from which I should be recused, I am directing The SA and my MAs to seek the assistance of the Standards of Conduct Office (SOCO) if they are uncertain whether or not I may participate in a matter.

In consultation with SOCO, I will revise and update this memorandum if warranted by a change in circumstances, including changes in my financial interests, my personal or business relationships, or the nature of my official duties. I will provide a copy of any revised screening arrangement memorandum to you and the officials copied below.

A handwritten signature in black ink, appearing to be "S. G. ...", with a long horizontal line extending to the right.

cc Deputy Secretary of Defense
The Special Assistant to the Secretary of Defense
Military Assistants
Standards of Conduct Office