



U.S. Department of Justice

Washington, D.C. 20530

JUL 29 2011

Mr. Don W. Fox
Acting Director
Office of Government Ethics
1201 New York Avenue, NW
Suite 500
Washington, DC 20005-3919

Dear Mr. Fox:

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 Michael E. Horowitz. President Obama has announced his intent to nominate Mr. Horowitz to serve as Inspector General for the Department of Justice.

We have conducted a thorough review of the enclosed report. The conflict of interest statute, 18 U.S.C. § 208, requires that Mr. Horowitz recuse himself from participating personally and substantially in any particular matter that has a direct and predictable effect on his financial interests or the financial interests of any other person whose interests are imputed to him, 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. Horowitz 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. Horowitz will consult with Department of Justice ethics officials.

Upon confirmation, Mr. Horowitz will resign from his position with Cadwalader, Wickersham & Taft, LLP. He will receive a pro rata partnership share, minus a holdback, based on the value of his equity partnership interests for services performed in 2011 through the date of his withdrawal as an equity partner. This payment will be based solely on the firm's accrued earnings through the date of his withdrawal as an equity partner. Pursuant to the firm's partnership agreement, at the conclusion of the firm's yearly audit, he will receive his remaining holdback. At the time of this

final accounting, the value of his final distribution will be based exclusively on the value of his partnership share as of the date of his withdrawal as an equity partner. Accordingly, Mr. Horowitz will not participate personally and substantially in any particular matter that will have a direct and predictable effect on the ability or willingness of Cadwalader, Wickersham & Taft LLP to pay him this compensation, unless he first obtains a written waiver pursuant to 18 U.S.C. § 208(b)(1).

Further, Mr. Horowitz will receive a refund of his capital account within one year of his withdrawal. Prior to receiving this refund, he will receive monthly an interest credit into his capital account, which is based upon an established rate that is paid uniformly to all equity partners pursuant to the partnership agreement. Mr. Horowitz may withdraw this monthly interest credit if he chooses. Accordingly, Mr. Horowitz will not participate personally and substantially in any particular matter that will have a direct and predictable effect on the ability or willingness of Cadwalader, Wickersham & Taft LLP to meet its obligation to make this payment to him, unless he first obtains a written waiver pursuant to 18 U.S.C. § 208(b)(1). Mr. Horowitz also has an interest in a defined benefit plan with the firm, which he will roll into non-conflicting assets in a qualifying IRA within ninety days of his withdrawal from the firm.

We have advised Mr. Horowitz that because of the standard of conduct on impartiality at 5 C.F.R. § 2635.502, he should seek advice before participating in any particular matter involving specific parties in which a member of his household has a financial interest or in which someone with whom he has a covered relationship is or represents a party. For a period of one year after his resignation from the law firm of Cadwalader, Wickersham & Taft LLP, he also will not participate personally and substantially in any particular matter involving specific parties in which that law firm is a party or represents a party, unless he is first authorized to participate pursuant to 5 C.F.R. § 2635.502(d). In addition, he will not participate personally and substantially in any particular matter involving specific parties in which a former client of his is a party or represents a party for a period of one year after he last provided service to that client, unless he is first authorized to participate pursuant to 5 C.F.R. § 2635.502(d).

We have advised Mr. Horowitz that the duties of the position of Inspector General may involve particular matters affecting the financial interests of the following entities: General Electric, Intel, Oracle Systems, Cisco Systems, Microsoft, Time Warner Inc., Time Warner Cable Inc., LSI Logic Corp., AT&T Inc., and AOL Inc., Ascent Media Corp., Discovery Communications, Ericsson LM Telephone Co., Liberty Global Inc., Liberty Media Corp., Liberty Media Holding Corp., and Liberty Media Holding Corp. International. Mr. Horowitz will divest his interests in these entities within 90 days of his confirmation. With regard to each of the entities to be divested, he will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of the entity until he has divested it, 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. Horowitz understands that he may be eligible to request a Certificate of Divestiture for the assets that will be divested and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Regardless of whether he receives a Certificate of Divestiture, he will divest these assets within 90 days of his confirmation and will invest the proceeds in non-conflicting assets.

Upon confirmation, Mr. Horowitz will resign from his positions with the Ethics Resource Center and the Lawyers Committee for Civil Rights Under Law. For a period of one year after his resignations from each of these organizations, he 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 he is first authorized to participate pursuant to 5 C.F.R. § 2635.502(d). In addition, upon confirmation, Mr. Horowitz will resign from his position with the Society of Corporate Compliance.

Finally, Mr. Horowitz understands that as an appointee he is required to sign the Ethics Pledge (Exec. Order No. 13490) and that he will be bound by the requirements and restrictions therein in addition to the commitments he has made in this and any other 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,

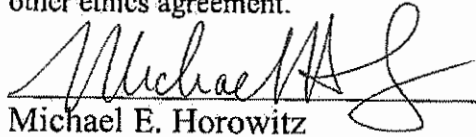
A handwritten signature in black ink, appearing to read "Lee J. Lofthus", written over a horizontal line.

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 July 29, 2011, 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. 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.


Michael E. Horowitz

7/29/11
Date