welcome to the confidential Financial

0:03

disclosure quick start guide if you're

0:06

watching this video you have probably

0:08

been assigned the review of a

0:09

confidential Financial disclosure report

0:12

otherwise known as an OG form 450 for

0:16

the first

0:17

time in this short video we'll briefly

0:20

explain the purpose of confidential

0:22

Financial disclosure reports who files

0:25

confidential Financial disclosure

0:26

reports what they report and when they

0:29

need to file

0:32

we'll briefly describe the resources

0:34

that can help with a review the process

0:37

for reviewing o forms 450 and what to do

0:40

if you uncover report entries that may

0:43

require action by your filers or your

0:46

agency finally we'll share with you some

0:49

courses that can help you move from a

0:51

novice OG form 450 reviewer to a

0:54

confident and competent reviewer of

0:56

these reports

1:00

what is the purpose of the confidential

1:03

Financial disclosure

1:04

system in short the sole purpose of the

1:08

system is to prevent conflicts of

1:09

interest and other ethics

1:11

concerns let me say that one more time

1:14

the sole purpose of the system is to

1:17

prevent conflicts of interest and other

1:18

ethics

1:20

concerns a conflict of interest occurs

1:23

when a federal employee takes government

1:25

action on a government matter that could

1:27

affect the employees own Financial

1:29

interests

1:30

or the financial interests of certain

1:32

family members or those with whom the

1:36

employee is financially Associated like

1:38

an employer or business

1:40

partner put another way it is when there

1:43

is a Nexus between the financial

1:45

interests of an employee and the work of

1:48

that

1:49

employee so the purpose of the system is

1:51

to help ensure employees do not work on

1:54

matters that pose potential conflicts of

1:58

interest so who files these reports in

2:02

short employees who have duties that

2:04

pose potential conflicts of interest

2:07

below you'll find a link to a job aid

2:09

that you and your agency can use to help

2:12

decide if an employee holds a position

2:14

that ought to require filing of a

2:17

report what do employees report on the

2:20

OG form

2:21

450 they report their financial Holdings

2:24

like stocks bonds and certain mutual

2:27

funds the Holdings of retirement

2:29

accounts sources of outside income

2:32

outside employment and other positions

2:34

some debts and certain

2:36

gifts they also report the financial and

2:39

business Holdings and Arrangements of

2:41

close family

2:42

members I encourage you to read

2:44

carefully the instructions on the OG

2:47

form 450 to become familiar with what

2:50

needs to be reported when do employees

2:52

file OG forms

2:54

450 an employee must file an O form 450

2:58

within 30 days days of entering a

3:01

position designated by the employing

3:03

agency as requiring OG form

3:05

450 employees who hold filing positions

3:08

must also file annually thereafter on

3:11

February 15th so now that we know a

3:14

little bit about the confidential

3:15

Financial disclosure system and its

3:17

purpose let's look at your role the role

3:19

of the ethics official who reviews and

3:21

certifies OG forms for

3:23

50 earlier we discussed the purpose of

3:26

confidential Financial disclosure to

3:28

prevent conflict of interest and you'll

3:31

remember a potential conflict of

3:33

interest occurs when there is a Nexus

3:34

between the duties of a federal employee

3:36

and their financial Holdings or

3:39

relationships so to review a report for

3:41

conflict of interest we need two pieces

3:44

of

3:46

information one the financial Holdings

3:49

and relationships of the employee as

3:51

reported on the OG form

3:53

450 and two the duties and

3:56

responsibilities of the employee filing

3:58

the report

4:01

if you are not familiar with the duties

4:02

and responsibilities of the employee

4:04

filing the report you must have that

4:06

information before you can properly

4:08

review and certify the

4:11

report some sources of that information

4:13

may include a formal position

4:16

description documents outlining planned

4:19

work for the employees business unit and

4:22

conversations with the employee or the

4:24

employee

4:26

supervisor some agencies also enlist

4:29

supervisor advisors as intermediate

4:31

reviewers to help identify potential

4:33

conflicts of interest among their staff

4:37

members once you know what your filers

4:39

duties and responsibilities are and have

4:41

a completed OG form 450 we are almost

4:45

ready to begin the

4:48

review we'll also need some reference

4:50

materials to help us review the OG form

4:54

450 the first reference is the

4:57

confidential Financial disclosure guide

5:00

you can find the guide by navigating to

5:04

resources for ethics

5:06

officials then Financial

5:09

disclosure and then scrolling down to

5:11

the confidential Financial disclosure

5:14

section the guide will be the first

5:18

link we'll also need to know where to

5:20

find the analyzing potential conflicts

5:23

of interest

5:25

collection to find it we navigate to

5:28

resources for ethics of

5:30

officials then to conflicts analysis and

5:34

resolution and then scroll down to

5:36

analyzing potential conflicts of

5:39

interest now that we know which

5:41

information and resources we need we can

5:44

put it all together and take a look at

5:45

an OG form

5:48

450 for this exercise our filer gov

5:51

employee is an IT

5:54

specialist gv's job is to make sure our

5:57

office has the Business Machines and it

5:59

resources it needs to function

6:01

properly gov frequently is asked to

6:04

select and purchase computers and

6:06

software for use in our

6:08

office we also have the OG form 450

6:12

filed by gov we'll look at an excerpt of

6:15

the form in the next few

6:17

minutes as we do two questions need to

6:20

guide our review one is there a Nexus

6:23

between the filers duties and the

6:25

entries on the form and two do we have

6:28

enough information to say definitively

6:31

that an entry will pose a potential

6:33

conflict of interest or that it will

6:36

definitely not pose a conflict of

6:38

interest if we are not able to answer

6:41

either question for a particular entry

6:43

we need more information before we can

6:45

certify the report let's look at our

6:48

first entry Vanguard

6:51

Ira if we look in the guide we find that

6:54

there is an entry for Ira

6:56

plans that entry tells us that these

6:59

plans or tax advantaged accounts that

7:02

hold other assets and that we need the

7:05

filer to identify those assets on the

7:07

report unless those assets are

7:09

Diversified mutual funds exempt from

7:11

reporting we can then consult our second

7:13

resource the analyzing potential

7:16

conflicts of interest

7:17

collection when we do we learn that our

7:20

Nexus test should apply to the

7:22

underlying Holdings of the plan such as

7:24

the stocks bonds and non- diversified

7:26

mutual funds the filer May hold using

7:30

the two resources together we learn

7:32

which information we need from the Filer

7:34

and most importantly why we need it we

7:37

could send our questions in an email or

7:40

make a phone call to the filer the

7:42

answers we receive back might look like

7:45

this here we've updated the form to

7:47

reflect our filers

7:49

responses now we continue with our

7:51

process two pieces of information two

7:54

questions and two resources to help

7:57

us we see that the IRA holds a single

8:00

stock Intel

8:02

Corporation we can use our guide and the

8:04

analyzing potential conflicts collection

8:07

to help analyze the

8:09

stock the guide tells us we need the

8:12

name of the company in which the stock

8:14

is held if it is worth more than $11,000

8:17

during the reporting period The

8:19

Collection tells us that an employee who

8:21

holds stock in a company is prohibited

8:24

from participating personally and

8:27

substantially in any particular matter

8:30

that the employee knows would have a

8:31

direct and predictable effect on the

8:33

issuing company in other words we need

8:37

to be careful of a

8:39

Nexus so the guide and the collection

8:42

have helped us answer our two questions

8:45

is there an Nexus between our filers

8:46

duties as an IT procurement official and

8:49

the stock reported on the OG form

8:52

450 yes do we have enough information to

8:56

determine definitively that the holding

8:58

reported on the form will pose a

9:01

conflict of interest or will definitely

9:03

not pose a conflict of

9:05

interest yes we have a potential

9:08

conflict so what do we do the collection

9:11

has our first course of action we must

9:14

tell our filer to avoid participating in

9:17

any government work that would affect

9:18

the financial interests of

9:21

Intel then we can decide if a regulatory

9:23

exemption might apply in this case there

9:26

is an exemption for publicly traded

9:27

Securities valued at less than

9:30

$115,000 if our filer has more than

9:33

$155,000 worth of Intel and we need the

9:36

filer to work on matters affecting Intel

9:39

we can direct the filer to sell all or

9:41

some of the stock in order to break the

9:44

Nexus this is the basic process for

9:47

analyzing entries on OG forms 450 two

9:51

pieces of information the Holdings and

9:53

the duties two resources the guide and

9:56

the collection and two questions is

9:59

there an Nexus and can we be certain

10:01

there is or definitely is not a

10:04

potential for

10:05

conflict this has been a very brief

10:08

introduction to confidential Financial

10:09

disclosure review to build your

10:12

Knowledge and Skills further we

10:14

encourage you to take some of the

10:15

courses listed on this page thoroughly

10:18

familiarize yourself with the resources

10:20

linked on this page and if possible seek

10:22

feedback and support from colleagues and

10:24

leaders in your agency's ethics office