

Office of Government Ethics

91 x 36 -- 10/15/91

Letter to a United States Senator dated October 15, 1991

Your inquiry of September 6, 1991, about financial disclosure reporting was referred to this Office for comment. We understand that a Federal employee has expressed concern about the requirement of the Ethics in Government Act of 1978 (hereinafter referred to as "the Act"), which mandated that certain employees file financial disclosure reports covering their interests and those of their spouse and dependent children. In particular, he objected to the invasion of his spouse's privacy and to the cost for the Government to keep such records. From the phrasing of his complaint, we understand that his concern is with the public reporting requirements of the Act, not the separate confidential disclosure system which the Act permits the three Government branches to establish.

The financial disclosure requirements of the Act were amended by the Ethics Reform Act of 1989 (Public Law 101-194, as further amended by Public Law 101-280) and are codified at 5 U.S.C. appendix. Under the law, certain officers and employees of all three branches of the Federal Government must file public financial disclosure reports. If [the employee] holds a position described in section 101 of the Act, then the law requires at section 102(e) that he disclose certain assets, income, transactions, liabilities, and gifts of his spouse.

The overall goal of financial disclosure is to insure that Government employees perform their duties without violating applicable conflict of interest statutes and standards of ethical conduct. Since the financial interests of a spouse may be imputed to the Government employee for these purposes, disclosure of certain of those interests is necessary. Beyond that, the framers of the legislation apparently included disclosure of spousal interests as part of their overall attempt to insure public confidence in the integrity of Government. It is a matter of balancing privacy interests against the public's interest, and Congress chose public disclosure for certain financial interests of a limited number of Federal employees and their spouses and dependent children.

We certainly agree that the process of filing, reviewing,

and maintaining financial disclosure statements represents a significant cost to the Government, and we continue to search for methods of streamlining those procedures.

Sincerely,

Stephen D. Potts
Director