



United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

June 4, 1996
DO-96-029

MEMORANDUM

TO: Designated Agency Ethics Officials

FROM: Stephen D. Potts
Director

SUBJECT: Standardizing an Alternative to Annual Confidential Financial Disclosure Reports

Last year, the Office of Government Ethics (OGE) authorized the Department of Education to test an alternative to annual confidential financial disclosure reports (SF 450s) for regular employees who had submitted a previous report (see DAEOgram of July 31, 1995). This experiment was a result of OGE's single-issue audit and brown-bag lunches in 1994, which focused on how to improve the confidential disclosure system. Filers at the Department of Education who had no new items to report on any part of the SF 450 since their last filing and no substantial change in work responsibilities during the reporting period for themselves or their spouse were permitted to sign a certificate in lieu of filing a new SF 450 for the October 1995 filing cycle.

The Department of Education has reported to us in detail the results of their test, which they assessed as quite successful. Over half of their 1277 annual filers used this alternative certificate, resulting in a high level of customer satisfaction, fewer delinquent filings, easier and faster reviews, and no apparent negative impact on conflict prevention. The Department of Education's full report is attached.

The Office of Government Ethics must now decide whether to extend to other executive branch agencies the option of using this alternative to an annual SF 450 report (and the replacement OGE Form 450), and if so, how to implement it. In making these decisions, we solicit your responses to the attached questionnaire. Please complete and return this survey to OGE by July 12, 1996. This is your chance to help determine the format and usage for a standard alternative certificate. We will review your responses and may want to discuss them at an appropriate ethics forum, prior to initiating any regulatory change. It is our hope that some variation of the alternative certificate tested at the Department of Education might become an option available throughout the executive branch for the fall 1997 reporting cycle.

OFFICE OF GOVERNMENT ETHICS (OGE)
Survey of Agency Ethics Officials (June 1996)

Certificate of No New Interests in Lieu of Annual SF/OGE Form 450

After reviewing the Department of Education's report to OGE on its test of a "certificate of no new interests" in lieu of an annual SF/OGE Form 450, please respond to the following nine questions and return this survey to OGE, not later than July 12, 1996. OGE will then consider whether and how to extend the use of this alternative to other agencies. You may respond by mail to OGE at 1201 New York Avenue, NW., Suite 500, Washington, DC 20005- 3917, or by fax at 202-208-8037.

1) Would an OGE-standardized certificate of no new interests be suitable for use at your agency, in lieu of annual SF/OGE Form 450 reports for regular employees? (Consider, for example, whether a sizeable number of your filers typically have few changes from year to year, and whether your review process would be streamlined.)

___ Yes ___ No

Comments:

2) Would you prefer a certificate that focuses on:

___ a) no new interests since the last SF/OGE Form 450; or

___ b) no change (no new interests and no interests divested or terminated) since the last SF/OGE Form 450?

(Note that option "a" would permit a greater number of filers to use the certificate.)

Comments:

3) For how many consecutive years should filers be permitted to use the certificate before being required to file a new SF/OGE Form 450?

___ 1 year ___ 2 years ___ 3 years

Other:

4) Determining for individual filers how many years they have used the alternative certificate and thus when they must file a new SF/OGE Form 450 could be administratively burdensome. Would you, therefore, prefer a system that requires all filers to submit a new SF/OGE Form 450 in a given year? For example, all might be required to file an SF/OGE Form 450 in 1996, 1999,

2002, et cetera, regardless of how recently they had filed a previous such report as a new entrant or as an annual filer with new interests.

Yes No

Comments:

5) Do you anticipate an undue administrative burden in ensuring that filers have access to their previous SF/OGE Form 450, for examination prior to signing a certificate of no new interests?

Yes No

Comments:

6) Some agencies are currently using the OGE-produced electronic program for completing the SF/OGE Form 450, which permits filers to simply update their report each year with any changes, and which highlights those changes for reviewers. If you are already using or planning to use that system, would you still want the option of a certificate of no new interests for filers who do not use electronic software to complete their reports?

Yes No

Comments:

7) Do you foresee any drawbacks to using a certificate of no new interests, either administratively or with respect to conflict prevention?

Yes No

If yes, please describe:

8) Are there any other changes not mentioned above that you would make to the format or usage of the alternative certificate that was tested at the Department of Education?

Yes No

If yes, please describe:

9) As a separate matter, OGE is currently testing a similar certification system at another agency for special Government employees (SGEs) who serve more than one year on advisory committees and therefore have to file SF/OGE Form 450s subsequent to their initial report. Would a certification system for SGEs, similar to the one that was tested at the Department of Education for regular employees, be appropriate to your needs?

Yes No Not applicable at this agency

Comments:

RESPONDING OFFICIAL
(Printed name and title)

DATE

NAME OF AGENCY

DAYTIME PHONE NUMBER