

Department of the Treasury, Departmental Offices
Supporting Statement and Request for Clearance
Troubled Asset Relief Program – Conflicts of Interest Interim Rule

A. JUSTIFICATION

1. Circumstances necessitating the collection of information

Authorized under the Emergency Economic Stabilization Act (EESA) of 2008 (Public Law 110-343), the Department of the Treasury (Treasury) is implementing several aspects of the Troubled Asset Relief Program (TARP). The statute provides the Secretary broad authority to purchase and insure mortgage assets, and to purchase any other financial instrument that the Secretary, in consultation with the Federal Reserve Chairman, determines necessary to stabilize our financial markets.

The interim rule sets forth the process for reviewing and addressing actual or potential conflicts of interest among any individuals or entities seeking or having a contract or financial agency agreement with the Treasury for services under EESA. Section 108 of the EESA requires Treasury to develop guidelines for addressing conflicts of interest as soon as practicable after enactment of the law. The procedures set forth in this interim rule are effective immediately.

The information collections involve recordkeeping and reporting of conflicts of interest.

- For organizational conflicts of interest, a retained entity is required to certify and provide Treasury with sufficient information to evaluate any conflicts of interest. The information includes:
 - the organization's relationship to any related entities,
 - the categories of troubled assets it and its related entities own or control,
 - information concerning any other business or financial interest of the organization, its proposed subcontractors, or related entities,
 - a description of any actual or potential organizational conflicts of interest,
 - a detailed plan to mitigate such conflicts of interest, and other information that Treasury may request to evaluate the potential for conflicts.
- For personal conflicts of interest, a retained entity shall obtain in writing from each of its management officials and key individuals information about the personal, business, and financial relationships of an individual, his or her spouse, minor child, or other family member with whom the individual has a close personal relationship that would cause a reasonable person with knowledge of the relevant facts to question the individual's ability to perform, his or her objectivity or judgment in such performance, or his or her ability to represent the interest of the Treasury. Further, the rule requires annual certification that all management officials and key individuals are in full compliance with confidentiality obligations.
- Nondisclosure agreement: A certification from each management official performing work under the arrangement and each key individual stating that he or she will comply with the requirements in 31 CFR 31.217(b). The retained entity

shall obtain this certification, in the form of a nondisclosure agreement, before a management official or key individual performs work under the arrangement, and then annually thereafter. A sample nondisclosure agreement will be posted to www.treas.gov.

- Other information. The interim rule also provides for waiver requests, compliance certification, and modification reporting. In addition, organizations must report fraud to a special inspector general.

2. Use of the data

The information will be used to evaluate and minimize real or apparent conflicts of interest related to contractual or financial agent agreement services performed under the TARP.

3. Use of information technology

In most cases, conflicts related information collections will be in writing, but may be transmitted electronically.

4. Efforts to identify duplication

The information will be collected once and then on a periodic basis. The information is not collected or reported in any other information collection.

5. Impact on small entities

Some small entities will provide services under the TARP pursuant to a contract or financial agency agreement and will be subject to the conflicts of interest regulations. The burdens on small and large entities is minimal to meet the statutory requirements under EESA to minimize conflicts of interest.

6. Consequences of less frequent collection and obstacles to burden reduction

If the information is not collected, Treasury will not be able to determine whether conflicts of interest exist.

7. Circumstances requiring special information collection

Not applicable.

8. Solicitation of comments on information collection

This is a request for emergency clearance for this information collection. Treasury will provide for public comment in the Federal Register before the expiration date granted by OMB.

9. Provision of payments to recordkeepers

Not applicable.

10. Assurance of confidentiality

Any confidential information provided voluntarily by TARP retained entities will be maintained as confidential consistent with applicable provisions of the Trade Secrets Act and Freedom of Information Act.

11. Justification of sensitive questions

Not applicable.

12. Estimated burden of information collection

	Estimated number of respondents	Total Estimated Responses (once annually)	Estimated burden hours per respondent	Burden hours (annual)
Organizational conflicts of interest (§ 31.211)	40	40	8	320
Personal conflicts of interest. (§ 31.212)	40	40	16	640
General standards for retained entity activities – disclosure to SIG (§ 31.213)	1	1	4	4
Limitations on concurrent activities – Waivers (§ 31.215)	5	5	4	20
Certification of communications with Treasury employees - (§ 31.216)	40	40	10	400
Nondisclosure agreement (§ 31.217)	40	40	1	40
Total	40*	166		1424

** Estimated total number of entities subject to the information collections contained in 31 CFR part 31. All respondent totals in this chart reflect either that total number, or a subgroup of the total.*

13. Estimated total annual cost burden to respondents

The Department estimates that there will be no annualized capital/start-up costs for the respondents to collect and submit this information.

14. Estimated cost to the federal government.

There will be no annualized capital/start-up costs for the government to receive this information.

15. Reasons for change in burden

This is a new collection.

16. Plans for tabulation, statistical analysis and publication

Not applicable.

17. Reasons why displaying the OMB expiration date is inappropriate

We believe that display of the OMB expiration date is inappropriate because it could cause confusion by leading the respondent to believe that the requirements conclude as of the expiration date.

18. Exceptions to certification requirement of OMB Form 83-I

Regarding this request for OMB approval, there are no exceptions to the certification statement in item 19 of Form 83-I.