

# U.S. Office Of Government Ethics

## SUPPORTING STATEMENT FOR THE OGE FORM 450

### EXECUTIVE BRANCH CONFIDENTIAL FINANCIAL DISCLOSURE REPORT

#### A. Justification

1. - 2. The authority for collection of the information on the existing OGE Form 450 as provided in the underlying OGE regulation, primarily at subpart I of 5 C.F.R. part 2634, is two-fold. First, section 201 (d) of Executive Order 12674 of April 12, 1989, as amended, directs OGE to establish a system of nonpublic (confidential) financial disclosure by executive branch employees to complement the system of public disclosure under the Ethics in Government Act of 1978 as amended (the Ethics Act), 5 U.S.C. appendix. Second, section 107 (a) of the Ethics Act authorizes OGE, as the supervising ethics office for the executive branch of the Federal Government, to require executive agency employees file confidential financial disclosure reports, "in such form as the supervising ethics office may prescribe." The OGE Form 450 together with the underlying OGE regulation initially adopted in 1992 and subsequently modified at 5 C.F.R. part 2634 constitute the format prescribed by OGE for such confidential financial disclosure in the executive branch. See OGE's most recent final rule amendments to its branchwide confidential financial disclosure regulation, effective January 1, 2007, as published at Federal Register (FR) 71, 28229-28239 (May 16, 2006); OGE's prior proposed rule amendments to that regulation were published at 70 FR 47138-47147 (August 12, 2005).

The Office of Government Ethics is submitting an unmodified OGE Form 450 confidential financial disclosure form package for review and 3-year extension of approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act. The OGE Form 450, a locally reproducible form for executive branch department and agency use, has been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (control #3209-0006).

OGE anticipates that in 2011 there will be a change (increase) by the General Services Administration (GSA) in the definition of "minimal value" under the Foreign Gifts and Decorations Act for the three year period 2011-2013. The reporting thresholds for gifts and reimbursements is now tied to any such change under section 102(a)(2)(A) & (B) of the Ethics Act and 5 C.F.R. §§ 2634.304 & 2634.907(a)(3) (§ 2634.907(g) of the regulation as amended effective January 1, 2007). As a result, the OGE Form 450 gifts and reimbursements overall and de minimis thresholds will most likely be raised from current levels after OMB approves this request for paperwork renewal. OGE requests permission to adjust those thresholds on the form (which will likely be raised resulting in fewer items to report) without any further paperwork clearance from OMB.

Instead, OGE would notify OMB and provide it with a copy of the updated form when the threshold values are adjusted. At that time, OGE would also notify the executive branch departments and agencies and ask them to notify their OGE Form 450 filers of the thresholds adjustment.

3. The OGE Form 450 is available on the OGE Internet Web site at <http://www.usoge.gov>. The form is a downloadable PDF version both fillable and printable that provides a locally reproducible form for use as needed by agencies and the public. In addition, OGE will continue to allow agencies to electronically duplicate the OGE Form 450, provided the electronic versions precisely duplicate the paper original. The basis for these electronic initiatives is to lessen burden and to facilitate dissemination and use of the form by agencies and requesters.

4. Not applicable. The OGE Form 450 is the only executive branchwide form used for employee confidential financial disclosure, though individual agencies have obtained OGE approval for the collection of alternative forms, such as certificates of no conflict, or have separate or supplemental disclosures of information based on independent statutory authorities or other unique circumstances. OGE has also developed an alternative, the OGE Optional Form 450-A Confidential Certificate of No New Interests (Executive Branch). This alternative form is available for use in appropriate years by employees whose agencies permit the optional use of that form, for certain years in lieu of the complete OGE Form 450 report. Based upon previous consultation with OMB, the OGE Optional Form 450-A is only a certification and not subject to paperwork clearance. The OGE Form 450 remains the only branchwide, complete financial disclosure report form for covered filers.

5. Not applicable. This collection of information does not involve small businesses or other small entities.

6. Not applicable. The collection frequency is required by 5 C.F.R. part 2634, subpart I, which OGE has promulgated under the cited statutory and Executive order authority.

7. No special circumstances exist as outlined in the instruction for this item. The OGE Form 450, pursuant to the Ethics Act, Executive Order 12674 as modified by E.O. 12731, and OGE's implementing regulation, is a personal confidential financial disclosure form filled out by individual agency employees and prospective employees. The report form is also subject to the protections of the Freedom of Information Act and the Privacy Act.

8. The information on the OGE Form 450 is required by the above-noted provisions of law and OGE's implementing regulations at 5 C.F.R. part 2634, subpart I. OGE provided a first round Federal Register notice January 25, 2010. See 75 FR 3905. As noted in the second round Federal Register notice April 2, 2010, OGE did not receive any comments in response to the first round notice. See 75 FR 16809. OGE remains

open to any suggestions for improvement that may be received in the course of public comment on the second round notice.

OGE continually seeks comments from persons outside the agency concerning the impact of its information collection instruments upon filers and agency ethics programs. OGE provides opportunities for comment at ethics conferences and symposia. OGE routinely alerts professionals in the ethics community to recently published OGE Federal Register paperwork notices via the Ethics News and Information Listserv and "DAEOgram" memoranda sent to designated agency ethics officers. Visitors to the OGE Internet Web site are provided the opportunity to contact OGE with comments or suggestions. Any ongoing comments received as a result of that availability or otherwise will be considered by OGE for the next paperwork renewal cycle in three years.

**9.** Not applicable. Respondents received no payments or gifts.

**10.** Assurance of confidentiality is provided to respondents directly in the instructions to the OGE Form 450. That confidentiality is guaranteed by section 201(d) of the Executive Order 12674 (as modified), section 107(a) of the Ethics in Government Act of 1978, 5 C.F.R. § 2634.604 of OGE's regulation and the OGE/GOVT-2 executive branchwide Privacy Act system of records.

**11.** All of the personal financial information required to be reported on the OGE Form 450 as provided in the part 2634 regulation is deemed necessary by OGE for proper reporting by employees and agency review for conflicts of interest purposes. No information on religious beliefs or other sensitive non-financial personal information is collected.

**12.** Based on OGE's annual agency ethics program questionnaire responses for 2006 through 2008, OGE estimates that an average of approximately 263,718 OGE Form 450 reports will be filed each year for the next three years throughout the executive branch. This estimate is based on the number of reports filed branchwide for 2006 through 2008 (264,095 in 2006, and 259,607 in 2007, and 267,454 in 2008) for a total of 791,156, with that number then divided by three to give the projected annual average of 263,718 reports. Of these reports, OGE estimates that 7.65 percent, or some 20,174 reports per year, will be filed by private citizens. Private citizen filers are those potential (incoming) regular employees whose positions are designated for confidential disclosure filing as well as potential special Government employees whose agencies require that they file their new entrant reports prior to assuming Government responsibilities. No termination reports are required for the OGE Form 450.

Each report is estimated to take an average of one hour to complete. This yields an annual reporting burden for private citizen filers of 20,174 burden hours. The estimated annualized hour burden cost to private citizen respondents is \$1,392,006. This estimate is based on the average annual number of private citizen filers multiplied by an average filer wage rate of \$69 per hour (equal to a GS-14/4, fully loaded).

**13.** For the OGE Form 450, OGE estimates annual burden hours and annual burden hours cost, not annual cost burden to the respondents.

**14.** The estimated total annual cost of the OGE Form 450 to the Federal Government is \$70,400,000. This figure is comprised of 1) \$52,700,000, a percentage of the total estimated annual cost of salaries (fully loaded) for all full time and part time ethics officials employed by executive branch departments and agencies to distribute, track, review for accuracy and completeness, resolve conflict issues, and certify the OGE Form 450 (6,200 full and part-time ethics Federal employees in the salary range of SES to GS-7); 2) \$16,800,000 cost to the Government for the time spent by an estimated 243, 544 Federal employee filers (\$69 per hour average wage of a GS-14/4, fully loaded, multiplied by the estimated one hour required to complete the form); 3) and \$900,000 estimated annual costs to OGE to develop, monitor, provide advisory and training support to department and agency ethics programs administering the OGE Form 450 confidential financial reports program.

**15.** The previous estimated total annual cost of the OGE Form 450 to the Federal Government (Item 14) was \$51,000,000. The estimated annual costs provided in this submission are based upon the most recent data reported by agencies in the OGE Annual Agency Ethics Program Questionnaire and the Office of Personnel Management wage increases since the previous reporting period. This cost to Government estimate accounts for an increase in the number of OGE 450 filers, a slight increase in the number of agency ethics officials administering the ethics program in the executive branch and increases in employee wages and other operating costs.

**16.** Not applicable. This is a confidential financial disclosure reporting form.

**17.** OGE requests permission not to display the expiration date on the OGE Form 450 so that it may continue to be used beyond the three-year paperwork approval period requested, subject to appropriate further OMB approval, if the form is not sooner modified.

**18.** Certification items (c), (f) and (i) are not applicable to this information collection.

## **B. Collections of Information Employing Statistical Methods**

Not applicable. This collection of information does not employ statistical methods.