

Office of the Secretary of Defense Confidential Conflict-of-Interest Statement for Advisory
Committee Members

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SUPPORTING STATEMENT – PART A

A. JUSTIFICATION

1. Need for the Information Collection

Executive Order 12674, Principles of Ethical Conduct for Government Officers and Employees, issued April 12, 1989, and later modified by Executive Order 12731 (Executive Order), sets forth basic obligations of public service and enumerates 14 principles of ethical conduct for Government officers and employees. The Executive Order authorizes the Office of Government Ethics (OGE), in consultation with the Department of Justice (DOJ) and the Office of Personnel Management (OPM), to issue “regulations that establish a single, comprehensive, and clear set of executive branch standards of conduct.” On August 7, 1992, OGE published the Standards of Ethical Conduct for Employees of the Executive Branch, codified at 5 CFR part 2635. See 57 FR 35005-35067, as corrected at 57 FR 48557, 57 FR 52583, and 60 FR 51667, and amended at 59 FR 4779-4780, 60 FR 6390-6391, and 60 FR 66857-66858.

Section 201(d) of Executive Order 12674 makes OGE responsible for the establishment of a system of nonpublic (confidential) financial disclosure by executive branch employees to complement the system of public financial disclosure under the Ethics in Government Act of 1978 (the “Ethics Act”), as amended, 5 U.S.C. appendix. Additionally, section 107(a) of the Ethics Act, 5 U.S.C. app., sec. 107(a), further provides authority for OGE as the supervising ethics office for the executive branch of the Federal Government to require that appropriate 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 executive branch-wide financial disclosure regulation (5 CFR part 2634), constitutes the basic report form OGE has prescribed for such confidential financial disclosure in the executive branch.

The OGE Form 450 (OMB control number 3209-0006) collects information from covered department and agency officials as required under OGE's executive branch-wide regulatory provisions in subpart I of 5 CFR part 2634. The OGE Form 450 serves as the uniform report form for collection, on a confidential basis, of financial information required by the OGE regulation from certain new entrant and incumbent employees of the Federal Government executive branch departments and agencies. With the approval of OGE, an agency may use an alternative procedure in lieu of the OGE Form 450. The alternative procedure may be an agency-specific form to be filed in place of the OGE Form 450. The “Office of the Secretary of Defense Confidential Conflict-of-Interest Statement for Advisory Committee Members” (Conflict-of-Interest Statement) is the Office of the Secretary of Defense’s (OSD) alternate procedure for collection of the required information. The requested information is necessary to identify potential conflicts of interest of individuals serving on advisory committees.

2. Use of the Information

Individuals using the Conflict-of-Interest Statement are members or potential members of advisory committees. These individuals, who primarily hail from the private sector, are selected by the Secretary of Defense to provide independent advice and recommendations to senior Department of Defense (DoD) officials on matters of special interest to the Department.

As detailed in 5 CFR 2634.904, all special Government employees, who do not file a public financial disclosure form, are required to file an OGE Form 450 or alternatively an agency-specific form. Information reported on the form is used to conduct conflict of interest reviews and to resolve actual or potential conflicts of interest.

When an individual is selected to serve as a member of an advisory committee, the Conflict-of-Interest Statement is forwarded to them via FedEx. The Conflict-of-Interest Statement is returned to DoD via FedEx. The information contained on the Conflict-of-Interest Statement is subsequently reviewed by DoD personnel to ensure that a member's employment, outside business activities, or financial holdings do not raise conflicts of interest that would hinder or preclude their service to the Department.

3. Use of Information Technology

. This information collection is completely paper based. All forms are sent to and received from members and potential members via FedEx. The forms are not entered into any type of electronic database at DoD.

4. Non-duplication

The information collected on the proposed form is unavailable elsewhere.

5. Burden on Small Business

Collection is limited to individuals selected for and serving on certain DoD Advisory Committees and will not include small businesses or other similar entities.

6. Less Frequent Collection

Per regulation, 5 CFR 2634.903, collection of this information is required on an annual basis.

7. Paperwork Reduction Act Guidelines

No circumstances require the information collection to be conducted in a manner inconsistent with the guidance delineated in 5 C.F.R. 1320.5(d)(2).

8. Consultation and Public Comments

a. 60-day notice for this information collection was published in the Federal Register on April 13, 2015, 80 FRN 19641. No comments were received. 30-day notice for this information collection was published in the Federal Register on January 15, 2016,

b. Consultation with the U.S. Office of Government Ethics and other Federal agencies regarding this information collection has been ongoing.

9. Gifts or Payment

No payment or gifts will be made to respondents.

10. Confidentiality

Information related to the Privacy Act is included on the form. Information collection will be done on a confidential basis pursuant to 5 C.F.R. part 2634.901(d). Procedures are currently in place for the protection of similarly sensitive personal and confidential information and those procedures will be utilized to ensure confidentiality is maintained with respect to this information.

Information collection is retained under OGE/GOVT-2, a system of records containing confidential financial disclosure reports, including OGE Form 450, OGE Optional Form 450-A, and agency supplemental or alternative confidential report forms.
<http://dpcl.d.defense.gov/Privacy/SORNsIndex/GovernmentwideArticleView/tabid/7488/Article/6897/ogegovt-2.aspx>

11. Sensitive Questions

This information collection does not request information of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, race and/or ethnicity or social security numbers.

12. Respondent Burden, and its Labor Costs

a. Estimation of Respondent Burden. Completion of the form, including time for reviewing instructions, gathering requested data, and completing and reviewing the collection of information is estimated to take one hour. See Table 1 below.

Table 1. Estimated Burden

Title	Number of Respondents per Year	Total Number of Responses	Burden Hours Per Response	Annual Burden Hours
Confidential Conflict of Interest Statement	125	125	1	125
Total	125	125	1	125

b. Labor Cost of Respondent Burden. The labor cost to the respondents is estimated to be \$906.25 (125 burden hours x \$7.25 per hour using the 2015 Federal Minimum Wage chart.)

13. Respondent Costs Other Than Burden Hour Costs

DoD pays all costs associated with collection of the requested information. Consequently, there is no paperwork cost burden for this collection of information.

14. Cost to the Federal Government

We estimate that DoD will spend an average of 125 hours (1 hour x 125 forms) annually to review the required information. This time estimate includes a 45 minute initial review of the required information by a GS 12 paralegal, a 15 minute review of the requested information by a GS 15 attorney and maintenance of a chart of committee members. The annual costs estimated to be incurred by the Federal Government in overhead, gathering and processing the information collected is expected to be \$4854.53. The OPM 2015 annual wage chart was used to determine the salary levels of the DoD employees.

15. Reasons for Change in Burden

There is a change in burden because this is an existing collection without an OMB Control Number.

16. Publication of Results

Results of the information collection are confidential and will not be made available to the public.

17. Non-Display of OMB Expiration Date

Omission of display of the expiration date of OMB approval is not being requested.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

All provisions of OMB Form 83 I can be certified.