

SUPPORTING STATEMENT
Financial Disclosure Report - Standard Form 714
OMB Control No. 3095-0058

1. Circumstances Making the Collection of Information Necessary.

Executive Order (E.O.) 12968, as amended, Section 1.3 requires that employees who have regular access to classified information, as specified in Section 1.3, (a), submit, as a condition of maintaining access to such information, relevant information concerning their financial condition.

In December 2011, the Office of the Director of National Intelligence (ODNI) accepted responsibility from the Information Security Oversight Office (ISOO) to manage the continuation in existence of Standard Form 714 (SF-714), *Financial Disclosure Report*, in accordance with the responsibilities assigned to the Director of National Intelligence (DNI) as the Security Executive Agent (SecEA) pursuant to Executive Order 13467, as amended.

2. Purpose and Use of the Information. The SF-714 collects information that is used to make eligibility determinations for access to classified information as specified in Section 1.3 (a) of E.O. 12968. The data may also be used as a part of a review process to evaluate continued eligibility for access to classified information or as evidence in legal proceedings. The SF-714 may also be used to help law enforcement and counterintelligence professionals gather pertinent information in the preliminary stages of potential espionage and/or counterterrorism cases.

3. Use of Information Technology and Burden Reduction. The DNI as SecEA encourages the heads of departments and agencies to direct subjects to complete and submit the information electronically. Departments and agencies retain the information electronically as well. The Department of Defense and the Intelligence Community have developed a software analysis tool for the information provided in the SF-714. This information technology tool assists counterintelligence professionals in assessing subjects' financial responsibility for purposes of determining eligibility for access to classified information as specified in Section 1.3(a) of E.O. 12968, as amended.

4. Efforts to Identify Duplication and Use of Similar Information. There is no duplication. The required data is collected and retained by the department or agency sponsoring the individual's access to classified information.

5. Impact on Small Businesses or Other Small Entities. The information requirements do not have a significant impact on small businesses or other small entities. Small businesses and other entities neither provide nor collect this information.

6. Consequences of Collecting the Information Less Frequently. The frequency of response is annual, as specified in E.O. 12968.

7. Special Circumstances Relating to the Guidelines of Title 5 Code of Federal Regulations 1320.5. The collection of information is consistent with the guidelines in Title 5 CFR 1320.5.

8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside Agency. A Federal Register Notice was published on October 30, 2014 (FRN 2014-25846). No comments were

received. The FRN requested an extension in effect of SF-714, no changes were proposed to the Form or its instruction. Therefore, no efforts were made to formally consult outside Agencies.

9. **Explanation of Any Payment or Gift to Respondents.** This information collection involves no remuneration to respondents.

10. **Assurance of Confidentiality Provided to Respondents.** Participating Government agencies retain and protect the SF-714 pursuant to the Privacy Act, Title 5 U.S.C. 552(a). The form becomes releasable only in accordance with Privacy Act provisions. This information is released only to authorized personnel having a need to know for official purposes. The completed form is stored in a secure manner, and when no longer needed (consistent with an applicable National Archives and Records Administration retention schedule), it will be disposed of through secure destruction.

11. **Justification for Sensitive Questions.** E.O. 12968, as amended, requires collection of sensitive personal financial information in order to determine subjects' eligibility for access to classified information.

12. **Estimates of Hour Burden Including Annualized Hourly Costs.** The hourly burden for individual respondents who submit a paper or an electronic SF-714 is estimated as follows:

<i>Form of Request From Respondents</i>	<i>Number of Respondents</i>	<i>Responses per Respondent</i>	<i>Minutes per Response</i>	<i>Annual Hour Burden</i>
Standard Form 714	86,000	1	120	172,000

The estimated number of respondents and time for the completion of the form is based on data received from the primary agencies impacted by this form.

13. **Estimate of Other Total Annual Cost Burden to Respondents.** The initial estimated cost for completing the SF 714 is \$7,471,680 based on the assumption that it takes a respondent, paid an hourly wage of \$43.44¹, two-hours (\$86.88) to complete the form for the first time. Subsequent annual updates should significantly reduce the cost burden. The number of respondents is based on a prior survey of primary agencies that identified potential respondents.

<i>Form of Request From Respondents</i>	<i>Number of Respondents</i>	<i>Minutes per Response</i>	<i>Respondent Cost</i>	<i>Annualized Cost For Hour Burden</i>
Standard Form 714	86,000	120	\$86.88	\$7,471,680

14. **Annualized Cost to the Federal Government.** The estimated annual cost for reviewing, processing and record keeping of a single SF-714 by the Federal Government is **\$9,187,380**; based on Federal Agencies cost of approximately **\$106.83** for each SF-714 processed, then multiplied by approximately 86,000 respondents. The ODNI's annual cost as the owner of the form is **\$8,521** attributed to the ODNI's renewal, review and administration of the form. Approximate estimation equals hourly wage of ODNI staff multiplied by hours required to review, modify and conduct administration of the form.

¹ Hourly wage is estimated using the GS 12, Step 5 pay grade with Washington D.C. locality pay.

15. **Explanation for Program Changes or Adjustments.** In 2011, the Information Security Oversight Office (ISOO) of the National Archives and Records Administration's (NARA) SF-714 FRN Supporting Statement identified the Number of Respondents as approximately 25,897 using only contractors within the Intelligence Community. In 2011 ownership and maintenance of the SF-714 was transferred from Information Security Oversight Office (ISOO) of the National Archives and Records Administration to ODNI. Since 2013, the ODNI has identified the Number of Respondents using the SF-714 as approximately 86,000, now reflecting both government staff and contractors with security clearances. The large increase in number of respondents is due to the fact that as the Security Executive Agent, the DNI must ensure uniformity and efficiency over processes/forms relating to determinations of eligibility for access to classified information or eligibility to hold a sensitive position as stated in Executive Order 13467 as amended. This includes oversight of these processes/forms for all departments/agencies within the entire Executive Branch. Note: ODNI employees who are respondents to the SF-714 have their forms collected, processed and stored by a separate IC sponsoring agency.

16. **Plans for Tabulation and Publication and Project Time Schedule.** The information collection is not used for statistical studies or publications.

17. **Reason(s) Display of OMB Expiration Date is Inappropriate.** None. ODNI will display the expiration date.

18. **Exceptions to Certification for Paperwork Reduction Act Submissions.** ODNI is not requesting any exceptions to the certification statement identified in Item 19, Certification for Paperwork Reduction Submissions, of OMB Form 83-I.