

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

0704-0551

SUPPORTING STATEMENT – PART A

A. JUSTIFICATION

1. Need for the Information Collection

Executive Order 12674, 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 a DoD advisory committee, the Conflict-of-Interest Statement is emailed to them. The Conflict-of-Interest Statement is returned to DoD by email. The information contained on the Conflict-of-Interest Statement is subsequently reviewed 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

Information is collected 100% electronically.

4. Non-duplication

The information obtained through this collection is unique and is not already available for use or adaptation from another cleared source.

5. Burden on Small Business

This information collection does not impose a significant economic impact on a substantial number of small businesses or 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

This collection of information does not require collection to be conducted in a manner inconsistent with the guidelines delineated in 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

A 60-Day Federal Register Notice (FRN) for the collection published on Wednesday, November 14th, 2018. The 60-Day FRN citation is 83 FRN 56830.

No comments were received during the 60-Day Comment Period.

A 30-Day Federal Register Notice for the collection published on Tuesday, February 12, 2019. The 30-Day FRN citation is 84 FRN 3423.

9. Gifts or Payment

No payments or gifts are being offered to respondents as an incentive to participate in the collection.

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>

RETENTION AND DISPOSAL:

In accordance with the National Archives and Records Administration General Records Schedule for such ethics program records, these records generally are retained for six years after filing, except when filed by or with respect to a nominee for an appointment requiring confirmation by the Senate when the nominee is not appointed. In such cases, the records are generally destroyed one year after the date the individual ceased being under Senate consideration for appointment. However, if any records are needed in an ongoing investigation, they will be retained until no longer needed in the investigation. Destruction is by shredding or electronic deletion.

11. Sensitive Questions

No questions considered sensitive are being asked in this collection.

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 2018 Federal Minimum Wage chart.)

13. Respondent Costs Other Than Burden Hour Costs

There are no annualized costs to respondents other than the labor burden costs addressed in Section 12 of this document to complete this collection.

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 \$6121.25. The OPM 2018 annual wage chart was used to determine the salary levels of the DoD employees.

15. Reasons for Change in Burden

There has been no change in burden since the last approval.

16. Publication of Results

The results of this information collection will not be published.

17. Non-Display of OMB Expiration Date

We are not seeking approval to omit the display of the expiration date of the OMB approval on the collection instrument.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

We are not requesting any exemptions to the provisions stated in 5 CFR 1320.9.