



APPENDIX
NOMINEE ETHICS GUIDE

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PUBLIC FINANCIAL DISCLOSURE CHECKLIST

The following is a non-exhaustive list of items you should include in each part of the public financial disclosure report that you file as a nominee.



PART 1

(Filer's Positions Held Outside United States Government)

Report all positions as an officer, director, trustee, general partner, proprietor, representative, employee, or consultant. Be sure to include both paid and unpaid positions. Do not include political, religious, or honorary positions.

PART 2

(Filer's Employment Assets & Income and Retirement Accounts)

Report all assets and income related to your current or former employment (excluding U.S. government employment). Also, list any retirement plans or individual retirement accounts. Examples include:

- Salary, bonuses, partnership or LLC distributions, other business income, client fees, receivables, director fees, consulting fees, deferred compensation, severance payments, etc.
- Equity in an employer and similar interests (e.g., stock, stock options, restricted stock, stock appreciation rights, capital account, etc.)
- Retirement plans with a current or former employer, including: defined contribution plans, defined benefit pension plans, and any other type of plan (excluding federal employee retirement plans)
- Individual retirement accounts (IRAs)
- Trustee fees or executor fees
- Honoraria
- Patents, copyrights, and other intellectual property

PART 3

(Filer's Employment Agreements and Arrangements)

Report all arrangements with your current and former employers.

Examples include:

- Ongoing participation in a retirement or deferred compensation plan
- Leave of absence
- Anticipated payments from your employer (e.g., bonus, severance, return of capital account, partnership or LLC distribution, buyout, etc.)
- Employee benefits that will continue (e.g., health insurance, life insurance, use of car or office, housing benefits, etc.)
- Retention or disposition of any vested or unvested stock options, restricted stock, or other equity-related interests (e.g., forfeit upon resignation, accelerated vesting, exercise, etc.)

PART 4

(Filer's Sources of Compensation Exceeding \$5,000 in a Year)

Report all sources of compensation exceeding \$5,000 in any one calendar year during the reporting period.

- Remember to list your employer and clients, if applicable
- Do not include payments from the United States government

PART 5

(Spouse's Employment Assets & Income and Retirement Accounts)

Report all assets and income related to your spouse's current or former employment. Also list any retirement plans or individual retirement accounts.

- See the discussion of Part 2 for examples
- Do not include payments from the United States government

PART 6

(Other Assets and Income)

Report all other assets and investment income for you, your spouse, and your dependent child. Examples include:

- Stocks, bonds, mutual funds, private equity funds, and hedge funds
- Life insurance, excluding term life insurance
- Cash accounts
- Annuities
- Qualified tuition plans (also called 529 plans, college savings plans, or prepaid tuition plans)
- Real estate that you rent out or hold for investment purposes
- Investment partnerships, LLCs, and S-corporations
- Assets of any trust in which a vested beneficial interest is held by you, your spouse, or your dependent child
- Uniform Gifts to Minors Act accounts and Uniform Transfers to Minors Act accounts

PART 7

(Transactions)

Nominees do not complete this Part.

PART 8

(Liabilities)

Report all liabilities that exceeded \$10,000 at any time during the reporting period. (As an exception to this rule, report credit card debt only if it currently exceeds \$10,000.) Examples include:

- A mortgage on a personal residence
- A mortgage on other real estate
- A student loan
- An equity line of credit (but only if you have exercised the equity line of credit)
- A margin loan
- A capital commitment

PART 9

(Gifts and Travel Reimbursements)

Nominees do not complete this Part.

ADDITIONAL CHECKLISTS FOR ATTORNEYS

The following is a non-exhaustive list of additional items that nominees who are attorneys (or are married to attorneys) often need to include in their public financial disclosure reports.



A. If you or your spouse hold a position with a law firm, you may find these reminders helpful.

- 1.** Report your position with the law firm in Part 1. (Do not report your spouse's position in Part 1.)
- 2.** Report the law firm as a source of income in Part 4 if you earned more than \$5,000 in a calendar year during the reporting period. Also, report the name of any client who paid more than \$5,000 to the law firm (or to you) for your services in a calendar year during the reporting period. You may describe your services simply as "legal services." (Do not report your spouse's law firm or clients in Part 4.)
- 3.** If you received any of the following kinds of income from the law firm during the reporting period, report the exact amount of income in Part 2. (If your spouse received any of these types of income, report your spouse's receipt of income from the law firm in Part 5, but do not include the amount of income.)
 - Salary and/or bonus
 - Partnership share or LLC distribution
 - Severance payment
 - Other compensation

4. If the law firm owes you any of the following kinds of payments, report the anticipated payments in Part 2, and indicate the anticipated amount by selecting the appropriate category (as opposed to the exact amount) in the “Value” column (as opposed to the “Income” column). Explain your arrangement for the payment in Part 3. (If the law firm owes any of these kinds of payments to your spouse, report the anticipated payments in Part 5, and indicate the anticipated amount by selecting the appropriate category in the “Value” column. Do not report information about your spouse in Part 3.)

- Anticipated bonus
- Anticipated partnership share or LLC distribution
- Anticipated severance
- Any other outstanding compensation

5. Report all items listed below that currently have a value greater than \$1,000 or that, during the reporting period, produced more than \$200 in income. If the item is associated with you, report it in Part 2 and describe any arrangement with the law firm (e.g., return of capital account after separation from the firm) in Part 3. (If the item is associated with your spouse, report it in Part 5. Do not report information about your spouse in Part 3.)

- Law firm capital account
- Law firm stock

- A financial interest in a contingency fee case (see item 4 in the solo legal practice section for more details on contingency fee cases)
- A financial interest in an investment fund that the law firm created
- A financial interest in other firm investments (e.g., real estate partnerships)

6. If your name is used in the name of the law firm, describe what will happen to the firm’s name in Part 3 (e.g., “my name will be removed from the name of the firm upon my withdrawal”). Note that the Ethics in Government Act prohibits certain high level government officials from allowing firms to use their names.

7. If your law firm is small enough that it will be dissolved after your separation, describe the arrangements for the firm’s dissolution in Part 3. (Do not provide information about your spouse’s firm in Part 3.)

B. If you are (or your spouse is) engaged in a solo legal practice, you may find these reminders helpful.

1. Report your position as a solo practitioner in Part 1. (Do not report your spouse’s position in Part 1.)

2. Report the name of any client who paid more than \$5,000 for your services in a calendar year during the reporting period in Part 4. You may describe your services simply as “legal services.” (Do not report your spouse’s clients in Part 4.)

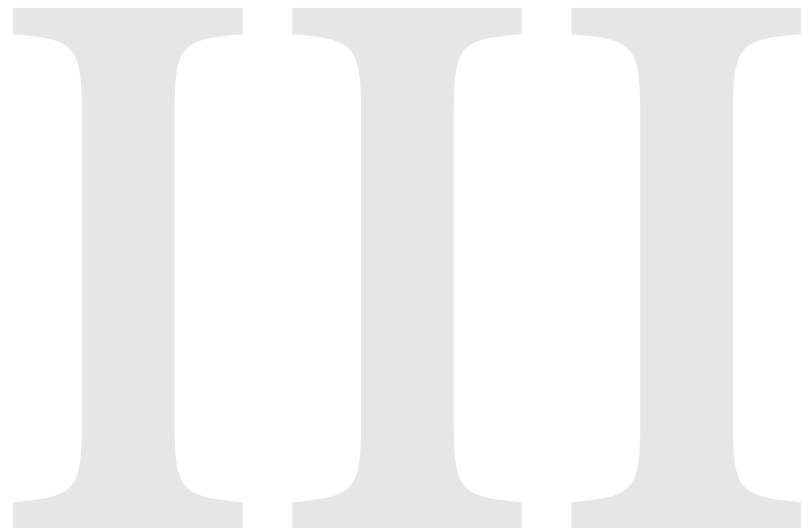
3. Report the exact amount of your income from your solo legal practice during the reporting period in Part 2. Do not report your clients in Part 2. (Report your spouse’s solo legal practice as a source of income in Part 5, but do not disclose the amount of income. Do not disclose your spouse’s clients in Part 5.)

4. Report any interest you have in a contingency fee case in Part 2. You may estimate the value of your interest in the “Value” column. (You may use any good faith method of estimating the value. For example, you may estimate the value based on the amount sought by your client in damages, with or without reducing the value based on the likelihood of a favorable decision or settlement.) In Part 3, describe what will happen to your interest in the contingency fee case upon entering government service. (Do not report information about your spouse’s individual cases or clients.)

5. In Part 3, describe what will happen to the practice while you are in government (e.g., “will be placed in an inactive status during my appointment”) and any remaining fees owed to you (e.g., “the amounts of all outstanding client fees will be fixed before I enter government service”). Describe any ongoing arrangement for the payment of referral fees by attorneys to whom you refer your clients. (Do not provide information about your spouse in Part 3.)

ADDITIONAL CHECKLIST FOR CORPORATE OFFICERS, EMPLOYEES, & DIRECTORS

The following is a non-exhaustive list of additional items that nominees who are current or former corporate officers or directors (or are married to current or former corporate officers or directors) often need to include in their public financial disclosure reports.



- 1.** Report your position with the corporation in Part 1. (Do not report your spouse's position in Part 1.)
- 2.** If you received any of the following kinds of income during the reporting period, report the exact amount of income in Part 2. (If your spouse received any of these types of income, report your spouse's receipt of income in Part 5, but do not include the amount of income.)

- Salary and/or bonus
- Director fees
- Severance payment
- Other compensation

- 3.** If you are owed any of the following kinds of payments, report the anticipated payments in Part 2, and indicate the anticipated amount by selecting the appropriate category (as opposed to the exact amount) in the "Value" column (as opposed to the "Income" column). Explain your arrangement for the payment in Part 3.

- Bonus
- Director fees
- Severance payment
- Other compensation

4. Report in Part 2 any of the employment-related items listed below that you currently hold or that, during the reporting period, produced more than \$200 in income. If you currently hold the item, explain in Part 3 what will happen to it when you enter government service (e.g., divest, forfeit, vest, exercise, etc.). (If the item is associated with your spouse, report it in Part 5. Do not provide information about your spouse in Part 3.)

- Stock options or warrants (incentive, nonqualified, etc.)
- Restricted stock or restricted stock units
- Employee stock ownership plan (ESOP) account or employee stock purchase plan (ESPP) account
- Stock appreciation right
- Dividend equivalent units
- Phantom stock
- Deferred compensation plan
- Retirement plans
- Any other asset or right to payment associated with the corporation that you hold as a result of your position as an officer, employee, or director

5. If you will retain any benefits following your separation from the corporation, report them in Part 3. Examples may include health or life insurance; estate, tax, or financial planning services; health club or country club memberships; use of a company car, car service, or plane; use of a residence or office; use of secretarial or IT support; use of a telephone; discounts on company services and products; travel planning services; housing or a mortgage subsidy; tickets or use of a skybox; the right to attend board meetings, other than as an ordinary shareholder of common stock; etc. (Do not provide information about your spouse in Part 3.)

ADDITIONAL CHECKLIST FOR UNIVERSITY PROFESSORS & DEANS

The following is a non-exhaustive list of additional items that nominees who are university professors or deans (or are married to university professors or deans) often need to include in their public financial disclosure reports.

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- 1.** Report your position with the university in Part 1. (Do not report your spouse's position in Part 1.)
- 2.** If you received any income from the university during the reporting period, report the exact amount of income in Part 2. (If your spouse received income, report your spouse's receipt of income in Part 5, but do not include the amount of income.)
- 3.** If the university owes you a bonus or severance payment, report the anticipated payment in Part 2 and indicate the anticipated amount by selecting the appropriate category (as opposed to the exact amount) in the "Value" column (as opposed to "Income" column). Describe your arrangement for the payment in Part 3. (If your spouse is owed a payment, report the anticipated payment in Part 5, and indicate the anticipated amount by selecting the appropriate category in the "Value" column. Do not provide information about your spouse in Part 3.)
- 4.** If you will be taking a leave of absence from your position while you are in government, report the leave of absence in Part 3. Indicate whether the leave of absence will be paid or unpaid, and specify its duration. Indicate whether your employer will continue to make contributions to any retirement plan during your leave of absence. (Do not provide information about your spouse in Part 3.)

5. If you will retain any of the benefits listed below during your government service, report the benefits in Part 3. (Do not provide information about your spouse in Part 3.)

- University housing, a housing allowance, a mortgage subsidy or supplement, a reduced rate mortgage, mortgage loan forgiveness, etc.
- Reduced tuition rate for a child or other individual
- Student loan forgiveness
- Subsidized child care
- Any other benefit that will be provided during your leave of absence (other than retention of tenure)

6. If you received an honorarium (i.e., fee for speaking, writing an article, or making an appearance) in excess of \$200 during the reporting period, report the honorarium in Part 2. Indicate the date your service was provided and indicate the exact amount of the payment in the “Income” column. Be sure to disclose an exact amount (e.g., \$7,250) of the payment, instead of merely a category of amount.

7. If you are owed an honorarium in excess of \$1,000, report the honorarium in Part 2, and indicate the category in the value column (e.g., \$1,001-\$15,000) of the amount, as opposed to the exact amount, that you are owed.

8. If your spouse received an honorarium (i.e., fee for speaking, writing an article, or making an appearance) in excess of \$200 during the reporting period, report the honorarium in Part 5 and indicate the exact amount of the payment in the “Income” column. Be sure to disclose an exact amount (e.g., \$7,250) of the payment, instead of merely a category of amount. (Note: For most types of earned income, you do not have to disclose the amount that your spouse received. However, the law imposes a special requirement for honoraria, which requires you to disclose the exact amount that your spouse received for each honorarium payment in excess of \$200.)

9. If you have an interest in intellectual property (e.g., book, book deal, patent, etc.) that is currently worth more than \$1,000 or that, during the reporting period, produced more than \$200 in income, report that interest in Part 2. (If your spouse has an interest in intellectual property that is currently worth more than \$1,000 or that, during the reporting period, produced more than \$1,000 in income, report your spouse’s intellectual property in Part 5.)

ADDITIONAL CHECKLIST FOR INVESTMENT FUND MANAGERS

The following is a non-exhaustive list of additional items that nominees whose work (or whose spouses' work) involves, or previously involved, managing investment funds often need to include in their public financial disclosure reports.



1. Report any paid or unpaid position with the fund manager, the fund, a subaccount, a subsidiary fund, or any other entity or business venture in Part 1. (Do not disclose your spouse's position in Part 1.)

2. If you received any of the following payments during the reporting period, report the exact amount of income in Part 2 in the "Income" column. (If your spouse received a payment, report your spouse's receipt of the payment in Part 5, but do not include the amount of the payment.)

- Salary and/or bonus
- Severance
- Other compensation

3. If you are owed any of the following types of payments, report the anticipated payment in Part 2 and indicate the anticipated amount by selecting the appropriate category (as opposed to the exact amount) in the "Value" column (as opposed to the "Income" column). Describe your arrangement for the payment in Part 3.

- Outstanding bonus payment
- Outstanding severance payment
- Other outstanding compensation

4. Report any of the items listed below in Part 2 that you currently hold (or are owed) or that, during the reporting period, produced more than \$200 in income. If you currently hold the item, explain in Part 3 what will happen to the item when you enter government service (e.g., divest, forfeit, vest, etc.). (If the item is associated with your spouse, report it in Part 5. Do not provide information about your spouse in Part 3.)

- Carried interest
- Co-investment interest
- Warrants, options, or other equity interest
- Any other financial interest, investment, or right

5. In Part 8, report any capital commitments by you, your spouse, or your dependent child. (Filers usually describe the term of this type of liability as “on demand” in the “Term” column.)

6. In Part 3, describe any arrangement related to your work. For example, describe any continuing right, share, interest, payment, etc., associated with the fund manager, the investment fund, or any other entity. (Do not provide information about your spouse in Part 3.)

WHAT TO REPORT IN EACH PART OF THE OGE FORM 278e

The public financial disclosure report (OGE Form 278e) consists of a cover page and nine parts. This section describes the contents of each part.

VI

PART 1

(Filer's Positions Held Outside the United States Government)

This part is for disclosing your positions with non-federal entities.

PART 2

(Filer's Employment Assets & Income and Retirement Accounts)

This part is for disclosing your earnings as well as any employment-related assets belonging to you (e.g., stock options, restricted stock, capital account, etc.). This part is also for disclosing your retirement plans and individual retirement accounts.

PART 3

(Filer's Employment Agreements and Arrangements)

This part is for disclosing any arrangements you have with a current or former employer (e.g., continued participation in a retirement plan, a leave of absence, an arrangement for future employment, a right to retain vested stock options, a requirement to forfeit unvested restricted stock upon resignation, etc.).

PART 4

(Filer's Sources of Compensation Exceeding \$5,000 in a Year)

This part is for disclosing those sources that paid more than \$5,000 in a calendar year for your services. This includes payments made to you, your employer, or anyone else; it includes payments from any person or organization other than the federal government.

PART 5

(Spouse's Employment Assets & Income and Retirement Accounts)

This part is for disclosing the same type of information as in Part 2, except that the information in this section is about your spouse.

PART 6

(Other Assets and Income)

This part is for disclosing all other assets and investment income for you, your spouse, and your dependent child that you have not already reported.

PART 7

(Transactions)

Nominees do not complete this part.

PART 8

(Liabilities)

This part is for disclosing all liabilities exceeding \$10,000 at any time during the reporting period. (As an exception to the normal reporting requirement, credit card debt is reported only if it exceeds \$10,000 when you file your report.) Be sure to include liabilities attributable to you, your spouse, and your dependent child.

PART 9

(Gifts and Travel Reimbursements)

Nominees do not complete this part.

REPORTING PERIODS FOR NOMINEES

In order to comply with complex statutory requirements, each part of the public financial disclosure report (OGE Form 278e) covers a different “reporting period.” This section describes the reporting period for each of these parts.



PART 1

(Filer’s Positions Held Outside the United States Government)

The reporting period for this part is the preceding two calendar years and the current calendar year up to the date when you file the report.

PART 2

(Filer’s Employment Assets & Income and Retirement Accounts)

The reporting period for this part is the preceding calendar year and the current calendar year up to the date when you file the report.

PART 3

(Filer’s Employment Agreements and Arrangements)

The reporting period for this part is the date of filing (i.e., report agreements and arrangements existing as of the date when you file the report).

PART 4

(Filer’s Sources of Compensation Exceeding \$5,000 in a Year)

The reporting period for this part is the preceding two calendar years and the current calendar year up to the date when you file the report.

PART 5

(Spouse's Employment Assets & Income and Retirement Accounts)

The reporting period for this part is the preceding calendar year and the current calendar year up to the date when you file the report.

PART 6

(Other Assets and Income)

The reporting period for this part is the preceding calendar year and the current calendar year up to the date when you file the report.

PART 7

(Transactions)

Nominees do not complete this part.

PART 8

(Liabilities)

The reporting period for this part is the preceding calendar year and the current calendar year up to the date when you file the report.

PART 9

(Gifts and Travel Reimbursements)

Nominees do not complete this part.

MORE ON EIF

This section provides additional information about “excepted investment funds.”

VIII

1. Understanding the terms

“Excepted investment fund” or EIF is an important concept. It allows you to disclose an investment fund without having to go through the burdensome task of disclosing its underlying holdings.

An EIF is an investment fund that is:

- 1.** Independently managed,
- 2.** Widely held, and
- 3.** Either publicly traded or available or widely diversified

- “Widely held” means at least 100 individuals are invested in the fund. Note that the focus is on the number of individuals, not the number of investors. For example, if a fund has only 63 investors, but one of the investors is a limited partnership with 200 partners, the fund is widely held.

- “Publicly traded or available” means the fund is (or previously was) open to investment by the public. Note that a fund is not excluded from this definition merely because investors must meet certain thresholds for wealth or investment in the fund.
- “Widely diversified” means the fund holds no more than 5% of the value of its portfolio in the securities of any one issuer (other than the United States government) and no more than 20% in any particular economic or geographic sector.

Knowing what each of these terms means can be helpful. But if you think an investment fund may not qualify as an EIF, you should talk to an ethics official before doing all of the work of reporting its underlying holdings.

2. A Managed Account is not an EIF

Managed accounts never qualify as EIFs because they are not investment funds (i.e., pooled investment vehicles). With a managed account, you own the account’s holdings directly.

3. Example

To help you understand why the EIF concept is so important, let’s consider the example of a typical mutual fund, which we’ll call the “ABC Large Cap Fund.”

If this mutual fund qualifies as an EIF, you will simply disclose the name of this fund and indicate that it is an EIF:

#	Description	EIF	Value	Income Type	Income Amount
1	ABC Large Cap Fund	Yes	\$50,001-\$100,000		\$201-\$1,000

But if this mutual fund does not qualify as an EIF, you will have to disclose the name of the fund and any underlying holding that exceeds the reporting threshold (i.e., more than \$1,000 in value or \$200 in income):

#	Description	EIF	Value	Income Type	Income Amount
1	ABC Large Cap Fund	No	\$50,001-\$100,000	Dividends	\$201-\$1,000
1.1	Def Tirez Company	N/A	\$1,001-\$15,000		None (or less than \$201)
1.2	G&HI Shoe Corp.	N/A	\$1,001-\$15,000		None (or less than \$201)
1.3	J&KL Supplies, Inc.	N/A	\$1,001-\$15,000		None (or less than \$201)
1.4	Mnop Trucking, Co	N/A	\$1,001-\$15,000		None (or less than \$201)
1.5	Peaqpan Letters Corporation	N/A	\$1,001-\$15,000		None (or less than \$201)
1.6	Tuvvyz Storage, Inc.	N/A	\$1,001-\$15,000		None (or less than \$201)
1.7	Wyxorp Fittings & Co	N/A	\$1,001-\$15,000		None (or less than \$201)
1.8	Zozzox Times Post, Inc.	N/A	\$1,001-\$15,000		None (or less than \$201)
1.9	Aaabahk & Sons, Inc.	N/A	\$1,001-\$15,000		None (or less than \$201)
1.10	Guuyezo Construction Co	N/A	\$1,001-\$15,000		None (or less than \$201)
1.11	Faszlebar Wrecking Installations	N/A	\$15,001-\$50,000	Dividends	\$201-\$1,000
1.12	VanGaarsfold International, Inc.	N/A	\$1,001-\$15,000		None (or less than \$201)

ONGOING FINANCIAL DISCLOSURES

Filing your nominee financial disclosure report is only the beginning of your financial disclosure obligations. This section provides additional information about the requirements.



Periodic Transaction Reports

- The law requires you to file a periodic transaction report to disclose purchases, sales, or exchanges of securities in excess of \$1,000 by you, your spouse, or your dependent child.
- As an exception, you are not required to file periodic transaction reports regarding transactions of excepted investment funds (EIF) or real estate. Note, however, that you will have to disclose transactions of these items in your subsequent annual or termination financial disclosure report, unless you elected to report them contemporaneously in periodic transaction reports.
- The form for periodic transaction reports is the OGE Form 278-T, which you will file through *Integrity*, the electronic filing system.
- Congress established a fairly complex filing deadline for these reports: You must file your report within 30 days of receiving notification of a transaction but not later than 45 days after the transaction. Calculating the deadline can be complicated, so your best bet is to file your report right away after a transaction.

Annual Financial Disclosure Reports

- The law requires you to file an annual financial disclosure report by May 15 each year, unless you were in a public filing position for less than 60 days during the prior calendar year.
- You will use *Integrity* to file the same form as you used for your nominee report (OGE Form 278e), except that the requirements will differ a little. For example, you will need to disclose gifts and travel reimbursements over a certain amount that you, your spouse, or your dependent child received. In addition, you will need to disclose transactions exceeding \$1,000 by you, your spouse, or your dependent child.
- To simplify reporting, *Integrity* allows you to prepopulate your annual report with data from your nominee report and any periodic transaction reports. You will also need to disclose some transactions that are not required to be reported in periodic transaction reports.

Termination Financial Disclosure Reports

- The law requires you to file a financial disclosure report within 30 days of termination. The requirements for termination reports are the same as for annual reports, except that the reporting period is different.

Financial Disclosure Guide

- OGE has prepared a detailed guide on public financial disclosure. You can view this guide online on OGE's website at oge.gov. Click on the "Financial Disclosure" tab at the top of the main page. Then, select "Public Financial Disclosure" in the drop down list. You will see the guide listed on the "Public Financial Disclosure" page.
- Alternatively, you can go directly to the following internet address: <https://www2.oge.gov/Web/278eGuide.nsf>.

Late Fees and Penalties

- There is a **\$200 late fee** for late filing. The Department of Justice can seek severe civil penalties against an individual who refuses to file a financial disclosure report. In addition, civil and criminal penalties can apply if an individual knowingly files a false report.

BLIND TRUSTS & DIVERSIFIED TRUSTS

You may hear about qualified blind trusts and qualified diversified trusts as potential options for addressing ethics issues. This section provides some key information about these types of qualified trusts.



OGE's staff is available to talk to you about these types of qualified trusts, but you should know that the requirements are highly restrictive and usually burdensome. For this reason, there have been very few qualified blind or diversified trusts in the executive branch.

Here are a few things to keep in mind:

- An existing blind or diversified trust may not be used.
- You should not contact potential trustees without first consulting OGE, as you could disqualify them.
- You must publicly disclose every asset you place in the trust. Later, when you dissolve the trust, you must publicly disclose every asset held in the trust at the time of dissolution.
- You may not instruct a trustee as to types of assets to acquire, and you will not receive information about a trust's holdings until it is dissolved.
- A blind trust does not resolve existing conflicts of interest—an asset you place in a blind trust is not “blind” until it has been sold down to \$1,000 or less.

Comparing the two types of qualified trusts:

- The table on the next page outlines some of the requirements for qualified blind trusts and qualified diversified trusts.
- This is not an exhaustive list of requirements, and you should talk to OGE before taking any steps to establish one of these types of qualified trusts.

The following are features of both types of qualified trusts:

- You relinquish control of all trust assets to the trustee
- The trustee must be an institution
- The trustee must be independent
- You have no knowledge of assets acquired by the trustee, and you may not communicate specific preferences or impose restrictions
- Statements you receive will reveal only the trust's overall value
- You, your family, and your representatives may not communicate with the trustee, except for non-substantive written communications approved in advance by OGE

The following requirements apply only to blind trusts:

- The trustee will prepare and file the trust's taxes
- The initial assets you place in the trust are not "blind" until they have been sold down to a value of \$1,000 or less; these initial assets have the potential to create conflicts of interest until they become "blind"

The following requirements apply only to diversified trusts:

- The trustee will prepare and file both the trust's taxes and your own personal income taxes
- No single asset in the trust may be worth more than 5% of the portfolio's value
- No more than 20% of the portfolio may be concentrated in any particular economic or geographic sector
- An asset that poses a significant conflict of interest with your duties cannot be put into the initial trust portfolio

THE 14 PRINCIPLES OF ETHICAL CONDUCT

Under a longstanding Presidential Executive Order, 14 Principles of Ethical Conduct apply to every executive branch employee. This section provides you with the full list of the principles. These principles are in addition to the large body of legal authorities regulating government ethics in the executive branch.



- 1.** Public service is a public trust, requiring employees to place loyalty to the Constitution, the laws and ethical principles above private gain.
- 2.** Employees shall not hold financial interests that conflict with the conscientious performance of duty.
- 3.** Employees shall not engage in financial transactions using nonpublic government information or allow the improper use of such information to further any private interest.
- 4.** An employee shall not, except as permitted by [exceptions in the Standards of Ethical Conduct for Employees of the Executive Branch], solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties.
- 5.** Employees shall put forth honest effort in the performance of their duties.
- 6.** Employees shall not knowingly make unauthorized commitments or promises of any kind purporting to bind the government.
- 7.** Employees shall not use public office for private gain.
- 8.** Employees shall act impartially and not give preferential treatment to any private organization or individual.

9. Employees shall protect and conserve federal property and shall not use it for other than authorized activities.

10. Employees shall not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official government duties and responsibilities.

11. Employees shall disclose waste, fraud, abuse, and corruption to appropriate authorities.

12. Employees shall satisfy in good faith their obligations as citizens, including all just financial obligations, especially those--such as federal, State, or local taxes--that are imposed by law.

13. Employees shall adhere to all laws and regulations that provide equal opportunity for all Americans regardless of race, color, religion, sex, national origin, age, or handicap.

14. Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in this part. Whether particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.

NOTES

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