

September 8, 2000
DO-00-033

MEMORANDUM

TO: Designated Agency Ethics Officials

FROM: F. Gary Davis
Acting Director

SUBJECT: Proposed Amendments to 5 C.F.R. part 2640

The Office of Government Ethics (OGE) has issued a proposed rule at 65 Fed. Reg. 53942-53946 (September 6, 2000) that would amend the regulation at 5 C.F.R. part 2640 by revising some existing exemptions and adding new exemptions. Part 2640 describes financial interests that are exempt from the prohibition in 18 U.S.C. § 208(a). Section 208(a) generally prohibits employees of the executive branch from participating in an official capacity in particular matters in which they or certain others specified in the statute have a financial interest. Section 208(b)(2) of title 18 permits OGE to promulgate regulations describing financial interests that are too remote or inconsequential to warrant disqualification pursuant to section 208(a). This proposed regulation would raise the de minimis exemption for matters affecting interests in securities to \$15,000 and would identify additional financial interests that would be exempt from the prohibition in section 208(a), including, in limited circumstances, the holdings of sector mutual funds,¹ and securities issued by a nonparty affected by a matter in litigation.

Please refer to OGE's web site at www.usoge.gov for a copy of the proposed rule. Any comments must be submitted to OGE not later than December 5, 2000.

¹ OGE also recently issued DAE0gram DO-00-030 (August 25, 2000) that describes how agencies can analyze whether a particular fund is diversified or whether it is a sector fund for purposes of part 2640.