GENERAL INFORMATION

INTRODUCTION

Title I of the Ethics in Government Act of 1978, as amended (5 U.S.C. app. 4, §101 et seq.) requires Members, officers, certain employees of the U.S. House of Representatives and related offices, and candidates for the House of Representatives to file Financial Disclosure Statements with the Clerk of the House of Representatives. The Committee on Standards of Official Conduct, which administers the statute in the House, has prepared these instructions to assist filers.

House Members and staff, as well as candidates for the House, having questions concerning the reporting requirements or how to fill out the Financial Disclosure Statement, should call or write the Committee on Standards of Official Conduct, Suite HT–2, The Capitol, Washington, D.C. 20515–6328, (202) 225–7103. The Committee can also supply extra copies of the forms.

Pursuant to its authority under 5 U.S.C. app. 4, §106(b), the Committee has delegated to the Library of Congress, the Architect of the Capitol, and the Government Printing Office the responsibility of reviewing and certifying disclosure statements, and issuing extensions of time for filing, for their own employees. Employees of those agencies should contact their respective general counsels' offices with any questions about their financial disclosure obligations.

It is the Committee's opinion that in any case in which a filer believes there is an ambiguity in the reporting requirements it should either be resolved in favor of disclosure or an advisory opinion should be sought from the Committee.

Those who wish further information about standards of conduct that apply in the House may obtain the *House Ethics Manual* and advisory memoranda from the Committee or by visiting the Committee's website at: www.house.gov/ethics. Copies of the Committee's *Rules* will also be provided upon request.

FORMS NOT NET WORTH STATEMENTS

Financial Disclosure Statements are not intended as net worth statements, *nor are they well suited to that purpose*. As the Commission on Administrative Review of the 95th Congress stated in recommending broader financial disclosure requirements: "The objectives of financial disclosure are to inform the public about the financial interests of government officials in order to increase public confidence in the integrity of government and to deter potential conflicts of interest." *Financial Ethics*, House Document No. 95–73, page 6 (1977).

WHO MUST FILE AND WHEN

The following individuals are required by the Act to file Financial Disclosure Statements on **FORM A:**

Members: Every Member of the House of Representatives, Delegate to Congress, and the Resident Commissioner of Puerto Rico must file a Financial Disclosure Statement on or before May 15 of each calendar year.

New Members: While new Members must file FORM A by May 15, they are not required to complete Schedule VI (gifts) or Schedule VII (travel).

Officers and Employees of the Legislative Branch: Each individual compensated at or above 120 percent of the Executive Branch GS–15 level (the "senior staff" rate) for at least 60 days in a calendar year must file a Financial Disclosure Statement on or before May 15 of the succeeding calendar year, even if no longer paid at the above GS–15 rate. The rate triggering disclosure was $102,168 in 2003. The 2004 threshold will be $104,927. The Committee on Standards of Official Conduct can verify the rate for other years. Annuities paid by the United States, as well as payments such as overtime, night differential payments, and locality pay adjustments, are not considered in calculating whether an employee is compensated at or above the senior staff rate. As a general rule, "lump sum payments" will not be considered in calculating an employee's compensation for reporting purposes. (But see the Committee's advisory memorandum of October 15, 1999 regarding inappropriate use of lump sum payments to avoid financial disclosure requirements.) However, temporary increases in pay that are effective for at least 60 days in a year will trigger the filing requirement.

In addition to the House of Representatives, these Instructions cover employees of the following Legislative Branch agencies: the Congressional Budget Office, Library of Congress, Architect of the Capitol, United States Botanic Garden, Government Printing Office, the Office of Compliance, and other legislative agencies or commissions established in an odd numbered year, unless otherwise provided by law.

Principal Assistants: A Member is required to designate at least one current employee as a principal assistant to file a Financial Disclosure Statement if the Member does not have an employee paid at or above the senior staff rate. Except in the case of a new Member, an employee who has been designated principal assistant must have been employed in the Member's office for more than 60 days in the calendar year covered by the report. Thus, at least one individual who was an employee in the Member's office for more than 60 days in the year covered by the report (either an employee paid at or above the senior staff rate or principal assistant) must file a Financial Disclosure Statement by May 15. (*See* Appendix B, Interpretive Ruling No. 1.)

The Clerk of the House will notify those Members who are required to designate a principal assistant. The Act is silent regarding the position in the Member's office that such an employee should hold. This is an area in which the employing Member has broad discretion. As the Committee first stated in its 1969 financial disclosure instructions, the designated individual will usually be an employee whose relationship with the Member permits the person, under some circumstances, to act in the Member's name or with the Member's authority. A Member is also free to designate more than one individual to file a Financial Disclosure Statement.

Termination Filers: Most Members, officers, and employees who are otherwise required to file Financial Disclosure Statements but terminate employment with the Government must file termination reports within 30 days of leaving. A termination report submitted after the May 15

Financial Disclosure Statement has been filed must cover the calendar year in which termination occurs through the date of termination. If a May 15 report has not been filed, the termination report must cover both the calendar year in which termination occurs and the preceding calendar year.

No termination report need be filed by an individual who assumes another federal Government position requiring the filing of a *public* Financial Disclosure Statement (a requirement to file a confidential financial disclosure statement will not excuse the filing of a termination report). A filer who has assumed a new position with a public Financial Disclosure reporting requirement should notify the Clerk of the House in writing of the new position.
In addition, an individual who files only because he or she has been designated as a principal assistant, rather than because of pay level, does not have to file a termination report (unless the individual was principal assistant of a Member leaving Congress). A new principal assistant must be designated in the individual's place. A termination report does not satisfy the requirement that at least one person in each Member's office besides the Member must file annually.

Candidates for the House of Representatives and certain new officers and employees of the Legislative Branch must file **FORM B** Financial Disclosure Statements, as explained below.

Candidates: One qualifies as a candidate for financial disclosure purposes by raising or spending more than $5,000 for a campaign for election to the House of Representatives. (Note: funds loaned to a campaign, from any source, count toward the $5,000 threshold.) Generally, a qualifying candidate must file a Financial Disclosure Statement within 30 days of becoming a candidate as defined in the law, or on or before May 15 of the calendar year in which he or she becomes a candidate, whichever is later. However, there are certain exceptions to this general rule. A qualifying candidate must file no later than 30 days before an election in which the individual is participating. If he or she does not exceed the $5,000 threshold until sometime within that 30-day period, the candidate should file the Financial Disclosure Statement immediately after he or she raises or spends more than $5,000. If a campaign never exceeds the $5,000 threshold, the candidate need not file a Financial Disclosure Statement.

In each subsequent year in which an individual continues to be a candidate on May 15, a new report must be filed by that date. If the individual is no longer a candidate on that date, as might occur if the candidate were to lose a March primary, no further report is due. Some of the information in earlier filings may be repeated in subsequent reports.

Even though the campaign may have to continue filing reports required by the Federal Election Campaign Act, a losing candidate need not file subsequent annual Financial Disclosure Statements unless he or she becomes a candidate for an upcoming election, in which case a report must be filed on or before May 15 of each year in which the individual continues to be a candidate.

An individual who takes action that is recognized under applicable State law as legally sufficient to withdraw as a candidate *before* the date on which his or her Financial Disclosure Statement is due need not file a Financial Disclosure Statement. However, if the individual withdraws as a candidate on or after the date on which the Financial Disclosure Statement is due, the individual must still file the Financial Disclosure Statement, even though he or she is no longer seeking

nomination or election.

Examples

The following examples illustrate when a candidate's report would be due under various circumstances:

1. The campaign goes over $5,000 on December 15 of the year before the election. The candidate must file a Financial Disclosure Statement within 30 days, i.e., by January 14 of the following year. (However, another report would not be required by May 15 of the election year as long as the filed report included the required information through the end of the previous year.)

2. The campaign goes over $5,000 on January 15 of the election year and the primary is not until July. The candidate must file a Financial Disclosure Statement by May 15 of that year (the later of May 15 or 30 days after qualifying).

3. The campaign goes over $5,000 on January 15 of the election year and the primary is April 17. The candidate must file a Financial Disclosure Statement by March 18 (no later than 30 days before an election).

4. The campaign goes over $5,000 on April 1 of the election year and the primary is April 17. The candidate must file a Financial Disclosure Statement by April 1. (Because the candidate qualified in the 30 days before the election, the report is due immediately upon qualification).

5. The campaign raises $5,000 on May 1 of the election year and the primary is not until August. The candidate must file a Financial Disclosure Statement by May 31 (30 days after qualifying).

6. The candidate files a Statement of Candidacy with the Federal Election Commission on March 1 and gets enough signatures to be on the ballot of the June 6 primary, but the campaign neither raises nor spends more than $5,000. The candidate is not required to file a Financial Disclosure Statement.

7. The campaign raises $5,000 on February 1 of the election year. The primary is not until August. On May 1, prior to the due date of the Financial Disclosure Statement, the candidate takes action necessary to withdraw from the race. No Statement is required. (If the candidate waits until May 15 or later to withdraw, a Statement would be required).

Anyone who is unsure whether or when a statement is due should call the Committee at (202) 225–7103. Committee staff will then provide advice based on the facts of the specific situation.

Definitions

An "*election*" means a general, special, primary, or run-off election, or a convention or caucus of a political party with the authority to nominate a candidate.

The term "*candidate*" for the purposes of the Act is the same found in section 301(2) of the Federal Election Campaign Act of 1971. "Candidate" means an individual other than a Member of the House—

"who seeks nomination for election, or election, to Federal office, and for the purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election—

"(A) if such individual has received contributions aggregating in excess of $5,000 or has made expenditures aggregating in excess of $5,000; or

"(B) if such individual has given his or her consent to another person to receive contributions or make expenditures on behalf of such individual and if such person has received such contributions aggregating in excess of $5,000 or has made such expenditures aggregating in excess of $5,000."

New Officers and Employees: A new officer or employee of the Legislative Branch must file a FORM B Financial Disclosure Statement within 30 days of assuming the new job if (A) he or she is compensated at or above the senior staff rate, or (B) he or she is designated as a principal assistant by a new Member of the House of Representatives. A principal assistant of a Member first taking office on January 3 has until May 15 of that calendar year to file a Financial Disclosure Statement.

Except for principal assistants to newly elected Members, the requirement to file FORM B does not apply to individuals who were employed in their office immediately before assuming the new position described above. Thus, an employee who receives a promotion or raise that lifts that individual to the senior staff rate need not file FORM B within 30 days of the increase. The requirement to file FORM B also does not apply to an individual who left any Federal Government position requiring the filing of a public Financial Disclosure Statement within 30 days prior to assuming the new position. (Individuals who need not file for this reason should notify the Clerk in writing in response to any request that a report be submitted.)

Tools to Complete the Form

Form A filers: The most important item to have on hand is a copy of the Financial Disclosure Statement you filed last year (for new Members, this would be his or her candidate Financial Disclosure Statement). For any securities accounts you have—including any retirement accounts that hold securities—account statements covering all of the previous year. For your bank accounts that pay interest, and any other kinds of retirement accounts that you have, the previous year's end-of-year statements. Tax forms (W-2s or 1099s) or pay stubs for any outside earned income you or your spouse received in the previous year. If you own a business, a copy of the accountant's annual report for the previous year. For other kinds of investments, income or liabilities you have—for example, rental property—you may need other kinds of documents to complete the form.

Form B filers: For any securities accounts you have—including any retirement accounts that hold securities— account statements covering the current year to the date of filing and all of the previous year. For your bank accounts that pay interest, and any other kinds of retirement accounts that you have, the current and end-of-year statements. Tax forms (W-2s or 1099s) or pay stubs for any outside earned income you received in the previous year. If you own a business, a copy of the accountant's current quarterly report and the annual report for the previous year. For other kinds of investments, income or liabilities you have—for example, rental property—you may need other kinds of documents to complete the form.

WHERE TO FILE AND NUMBER OF COPIES

The Financial Disclosure Statement (as well as any amendment of a statement) must be filed with the Clerk of the House of Representatives, Legislative Resource Center, Room B–106 Cannon House Office Building, Washington, D.C. 20515–6612. Members and candidates should submit *three* completed Financial Disclosure Statements. Officers and employees should submit *two* completed Financial Disclosure Statements. One must be an original with an original signature of the filer. Others may be photocopies, with photocopied signatures.

TIMELINESS OF FILING

Reports are considered timely if they are *received or postmarked* on or before the due date. (In contrast, as discussed below, the policy on extension requests is that they must be *received* by the Committee on Standards on or before the due date.) If the date on which a report is required to be filed falls on a weekend or holiday, the filing deadline shall be the next business day.

Financial Disclosure Statements may NOT be filed with the Legislative Resource Center via facsimile machine. Financial Disclosure Statements are frankable.

Extensions

Prior to the date on which a Financial Disclosure Statement or a required amendment is due, the Committee on Standards of Official Conduct may grant reasonable extensions of time for the filing. Under the law, the total of such extensions for one individual in a calendar year may not exceed 90 days. In no event will an extension be granted which authorizes a candidate's report to be filed later than 30 days prior to a primary or general election in which the reporting individual is a candidate.

Extension requests must be made in writing, signed by the filer, directed to the Chairman of the Committee on Standards of Official Conduct (or to the General Counsel of the Library of Congress, Architect of the Capitol, or Government Printing Office, for employees of those agencies), and must state the reason the extension is necessary. Any such request should be *received* by the due date of the report. An extension request is *not* timely if it was only postmarked, but was not received, by the due date. The Committee will accept extension requests via facsimile machine. The Committee fax number is (202) 225–7392.

Late Filing Fee

An individual who files a Financial Disclosure Statement or any amendment more than 30 days after the later of (1) the date the report or amendment is required to be filed, or (2) the last day of any filing extension period that has been granted, must pay a late filing fee of $200. The fee shall be paid by check or money order made out to the United States Treasury, submitted to the Clerk at the filing address along with the Financial Disclosure Statement. Payment of the fee does not preclude the Committee on Standards of Official Conduct from taking other action authorized by law and Rules of the House of Representatives.

The Committee has authority to waive the fee, but only in extraordinary circumstances. Waiver requests must be directed in writing to the Chairman of the Committee, signed by the filer, and must state the circumstances believed to justify the waiver.

Any late report that is submitted without a required late filing fee shall be deemed procedurally deficient and not properly filed.

REPORTING PERIOD

For Members and current officers and employees required to file FORM A, the Financial Disclosure Statement must include information for the entire preceding calendar year, unless otherwise indicated. However, you need not disclose gifts received or travel occurring before you became a Member, officer, or employee.

A termination report submitted after the May 15 Financial Disclosure Statement has been filed must cover the calendar year in which termination occurs through the date of termination. If a May 15 report has not been filed, then the termination report must cover *both* the calendar year in which termination occurs through the termination date and the preceding calendar year.

For candidates and new officers or employees required to file FORM B, the Financial Disclosure Statement must include income information for the preceding calendar year *and* separately, the current calendar year to the date of filing. In addition, Schedule VI of FORM B must identify all sources that paid you compensation in excess of $5,000 in the *two* calendar years prior to the year of filing. You must also give a brief description of the duties performed or the services rendered.

FORM B information concerning property holdings and liabilities must be current as of a date that is less than 31 days before the filing date. You may choose this date, but you must state it in the "Period Covered" box at the top of the first page of the form. Information concerning nongovernmental positions and future employment agreements or continued benefits must cover the current calendar year through the date of filing.

CATEGORY OF VALUE

Certain financial interests must be disclosed by exact dollar amount; for other interests a category of value will suffice. The Act defines "value" as "a good faith estimate of the dollar value if the exact value is neither known nor easily obtainable by the reporting individual." It is not necessary that property be appraised to ascertain its value. A good faith estimate may be based on such information as recent sales of comparable property. Alternatively, you may use a tax assessment (adjusted to reflect 100 percent valuation), or exact purchase price and date of purchase, *however*, in these cases, you must list the exact value and describe the method of valuation, rather than merely checking a category of value.

The law requires that you report the gross value of your holdings, not the net. Thus, a mortgage on property would not be taken into consideration when reporting its value. The mortgage would, however, be shown as a liability on Schedule V of FORM A or Schedule III of FORM B.

In any instance where the Act calls for a category of value, you may indicate an exact dollar amount if you so desire. This may be done on the form itself or an attachment.

The following items must be disclosed by exact dollar amount: The filer’s earned income from all sources; payments in lieu of honoraria made to charities; honoraria received by the filer’s spouse; and gifts.

Wherever a category of value is required on either FORM A or FORM B, boxes are provided so that you merely need to check the correct amount. For any part of the report, a computer

print-out such as a brokerage statement may be attached in lieu of using the form. However, any such attachment must include all the information required by the form, and you should state on the face of the form "See Attachment" or similar language. Each page of an attachment should bear the filer's name.

SPOUSE AND DEPENDENT DISCLOSURE

You are required to include on the Financial Disclosure Statement information concerning your spouse and dependent children. Specifically, you must ascertain and disclose the following information:

Earned income: You must report only the source, not the amount, of a spouse's earned income; however, for honoraria paid to a spouse, show the source *and* amount. Neither the source nor amount of a dependent child's earned income need be reported.

Assets, unearned income, transactions, and liabilities: Generally, you must report as much information about your spouse's and dependent children's holdings, unearned income, transactions, and liabilities as you would about your own. In listing information, you may indicate that a financial interest belongs to a spouse or dependent child or is jointly held. You may do so by marking "SP" for spouse, "DC" for dependent child, or "JT" for jointly held, in the column reserved for that purpose.

If your spouse or dependent child has income, assets, or liabilities *not* held jointly with you, and if the amount or value category is more than $5,000,000, the statue permits you to disclose the value as "over $1,000,000." In those circumstances the category "$1,000,000–$5,000,000" may be checked, although you must then indicate that the particular income, asset or liability is that of your spouse or dependent child by marking "SP" or "DC" in the appropriate column.

Where you, your spouse, and dependent child hold identical interests, you may combine them and report them as one line item. For example, you need not list separately all accounts at the same bank, or separate holdings of the same stock.

Gifts, travel, and reimbursements: You must report any items received by your spouse or dependent child from a non-relative that meet the reporting requirements of the Ethics in Government Act *unless* circumstances indicate that the gift was totally independent of the recipient's relationship to you as a Member, officer or employee of the Legislative Branch. That is, if your spouse or child receives something because he or she *is* your spouse or child, you must disclose that gift. On the other hand, if it is apparent that the item would have been offered regardless of the individual's relationship to you as an official, then it need not be disclosed.

Positions, agreements, and compensation in excess of $5,000: In these categories, no information is required regarding your spouse or dependent child.

* * *

Exclusions: In rare circumstances, you may be permitted to exclude information pertaining to a spouse's finances. You may only exclude an item if (1) you do not specifically know what it is; (2) you in no way contributed towards it; *and* (3) you do not, and do not expect to, benefit from it. These criteria are explained in detail in the Specific Instructions at page 10 of this booklet. Even if you meet these criteria, you must indicate that you are excluding information by

answering "YES" to the "Exemption" question on page 1 of the Statement.

You are not required to disclose financial information about a spouse from whom you have separated with the intention of terminating the marriage or providing for a permanent separation. In addition, no reporting is required with respect to any income or obligations arising from the dissolution of a marriage or the permanent separation from a spouse. If you exclude information related to a separation or dissolution, you may still answer "NO" to the "Exemption" question on page 1.

The term "*dependent child*" means any individual who is a son, daughter, stepson, or stepdaughter and who (A) is unmarried, under age 21 and living in the household of the reporting individual, or (B) is a "dependent" of the reporting individual within the meaning of section 152 of the Internal Revenue Code of 1986.

COMMITTEE REVIEW

The Committee on Standards of Official Conduct (or its designee) is required to review all Financial Disclosure Statements to determine whether they are filed in a timely manner, appear substantially accurate and complete, and comply with applicable laws and rules. If the review indicates a possible problem, then you will be notified in writing of the additional information believed to be required, or of the law or rule with which you do not appear to be in compliance. A due date for response will also be provided.

If you concur with the Committee, then you should file an *amendment* to the Financial Disclosure Statement *with the Legislative Resource Center*. The same number of copies is required as for the original filing. An amendment may be in the form of a revised Financial Disclosure Statement, corrected pages of a Statement, or an explanatory letter addressed to the Clerk.

If you do not agree that an amendment is needed, you must send a letter *to the Committee* explaining why you believe the amendment is not required. In all cases, the Committee shall be the final arbiter of whether any report needs clarification or amendment. No communications between the Committee and you will be publicly discussed or released by the Committee.

The Committee is also authorized under the Act to render advisory opinions interpreting the disclosure requirements to any person required to file a Financial Disclosure Statement. Any person who acts in good faith in accordance with a written advisory opinion shall not be subject to any sanction under the Act.

FAILURE TO FILE OR FALSIFYING DISCLOSURE STATEMENTS

The Ethics in Government Act of 1978, as amended, provides that the Attorney General may seek a civil penalty of up to $11,000 against an individual who knowingly and willfully falsifies or fails to file or report any information required by the Act (5 U.S.C. app. 4, §104).

In addition, 18 U.S.C. §1001, as amended by the False Statements Accountability Act of 1996, is applicable here. That criminal statute, as here relevant, provides for a fine and/or imprisonment for up to five years for knowingly and willfully making any materially false, fictitious or fraudulent statement or representation, or falsifying, concealing or covering up a material fact, in a filing under the Ethics in Government Act.

House Rule 26 provides that title I of the Ethics in Government Act of 1978 shall be deemed to be a Rule of the House insofar as the law pertains to Members, officers, and employees. The House, acting on the recommendation of the Committee on Standards of Official Conduct, may therefore impose penalties on Members, officers, and employees in addition to those noted above.

PUBLIC ACCESS

The Clerk of the House of Representatives will make financial disclosure reports available for public inspection within 30 days of filing (or within 30 days of May 15 for reports due by that date). The Clerk is also required to send a copy of each report filed by a Member or a candidate to the appropriate State officer in the State represented by the Member or in which the individual is a candidate. Under House Rule 26, annual reports filed by Members must be compiled into a public document by August 1 of each year.

Reports filed with the Clerk are made available for public inspection in the Legislative Resource Center, Room B–106 Cannon House Office Building, Washington, D.C. 20515. The Clerk may not make any reports available to any person, or provide a copy of any report to any person, except upon written application by such person stating:

> (A) that person's name, occupation, and address;
>
> (B) the name and address of any other person or organization on whose behalf the inspection or copy is requested; and
>
> (C) that such person is aware of the prohibitions on the obtaining or use of the report.

All applications for inspection of reports shall be made available to the public. In addition, any person requesting a copy of a report may be required to pay a reasonable fee to cover the cost of reproduction or mailing. 5 U.S.C. app. 4, §105(b).

All Financial Disclosure Statements shall be made available for public inspection for six years after receipt, except that in the case of a candidate who was not subsequently elected, the report shall remain available for one year after the individual ceases to be a candidate. 5 U.S.C. app. 4, §105(d).

UNLAWFUL USE

It is illegal for any person to obtain or use a Financial Disclosure Statement: (1) for any unlawful purpose; (2) for any commercial purpose, other than by news and communications media for dissemination to the general public; (3) for determining or establishing the credit rating of any individual; or (4) for use, directly or indirectly, in the solicitation of money for any political, charitable, or other purpose.

The Attorney General may bring a civil action against any person who obtains or uses a report

for any of the prohibited purposes mentioned above. The court may assess a penalty not to exceed $11,000. 5 U.S.C. app. 4, §105(c).

SPECIFIC REPORTING INSTRUCTIONS

INTRODUCTION

The following sections correspond in order with the sections on FORM A, the Financial Disclosure Statement to be filed by Members, officers, and employees of the legislative branch. Candidates and new employees should note that the schedule numbers on FORM B are somewhat different since those individuals are not required to disclose gifts, travel reimbursements, or transactions, and only individuals using FORM B must report compensation over $5,000 paid by one source in the two years prior to filing.

The basic statutory requirement is printed in bold at the beginning of each section of these Instructions, followed by more detailed guidance. While the statute often uses "calendar year" or "preceding calendar year" to describe the period for which information must be disclosed, filers of FORM B Statements and termination reports on FORM A may be required to include information for other periods of time, as discussed on page 4 of these Instructions.

Examples are provided throughout the Instructions and on the Financial Disclosure Statements themselves. The examples are included in an effort to provide as much guidance as possible to reporting individuals. The examples are not intended to place additional requirements on you.

The Forms are perforated along the left edge. They should be separated and only the first page and necessary schedules filed. At the top of each page, indicate your name, the page number and total pages in the filing. In all sections, please type or print clearly in black ink. If you have nothing to report on a schedule, be certain to mark the appropriate "NO" box on the first page. If you mark a "NO" box, do not file the corresponding schedule.

FILER IDENTIFICATION

[ALL FILERS: TOP OF PAGE 1, FORM A and FORM B]

At the top of the first page of both FORM A and FORM B is a block for your name and employment status. Give your full name and mailing address. Space is also provided for a daytime telephone number. This provides Committee staff with a point of contact in case questions arise during the review process. If someone besides you (such as an accountant) should be contacted at the number shown, that person’s name should also be given. Put your name at the top of each subsequent page, including attachments.

Next, check the box indicating your status. A Member should identify the State and Congressional District represented. An officer or employee should state the office in which employed. A candidate should identify the State and District from which election is being sought and the election date. The election specified should be the next primary, run-off, special, or general election (or convention authorized to nominate a candidate) in which you are participating. You must file no later than 30 days before such an election, unless you have not raised or spent $5,000 by that date.

A FORM A filer should check one of the three boxes indicating the type of report that is being filed: the annual report due on or before May 15, an amendment, or a termination report. A FORM B filer needs to check the designated box only when the filing is an amendment. Above the name and address block is a space for FORM B filers to indicate the period covered by the report. Financial Disclosure Statements filed by candidates and new employees must include information regarding both the preceding calendar year, beginning January 1, and the current year to a date less than 31 days before filing. Indicate these dates at the top of page 1. The top of the form, for example, might read "Period Covered: January 1, 2003—April 30, 2004."

RELIMINARY INFORMATION

[ALL FILERS: MIDDLE OF PAGE 1, FORM A and FORM B]

Earned income	Schedule I;
Payments to charity in lieu of honoraria	Schedule II;
Assets and “unearned” income	Schedule III;
Transactions	Schedule IV;
Liabilities	Schedule V;
Gifts	Schedule VI;
Travel	Schedule VII;
Positions	Schedule VIII;
Agreements	Schedule IX.

Following the filer identification block on page 1 is a series of preliminary questions *that must be answered*. There are nine such questions on FORM A and six such questions on FORM B. By answering "NO" to a question, you are stating that there is no information to report in this area. For any "NO" answer, you need *not* file the corresponding schedule; where the answer to any question is "YES," you must attach the proper schedule. These questions necessarily summarize the actual requirements. Accordingly, *before you respond to these questions,* you should read the detailed instructions for each section of the report.

Earned income	Schedule I;
Assets and “unearned” income	Schedule II;
Liabilities	Schedule III;
Positions	Schedule IV;
Agreements	Schedule V;
Compensation in excess of $5,000	Schedule VI.

On FORM A, the subjects of the questions (and the corresponding schedules) are as follows:

Earned income	Schedule
Payments to charity in lieu of honoraria	Schedule
Assets and “unearned” income	Schedule
Transactions	Schedule
Liabilities	Schedule
Gifts	Schedule
Travel	Schedule
Positions	Schedule
Agreements	Schedule
Earned income	Schedule I;

On FORM B, the subjects of the questions (and the corresponding Schedules) are as follows:

Sometimes, more than one schedule is printed on a page. Where there is no information to be reported for one part, but there is information to be reported for another, you need not complete the schedule for which the answer was "NO." Leave it blank, or write "N/A" or "Not Applicable."

EXCLUSION OF SPOUSE, DEPENDENT, OR TRUST INFORMATION

[ALL FILERS: LOWER PORTION OF PAGE 1, FORM A and FORM B]

In this section, there are two questions you must answer by checking the appropriate boxes. If either of these questions is not completed, the Statement may be deemed deficient and returned to you.

Trust Disclosure

Details regarding "Qualified Blind Trusts" approved by the Committee on Standards of Official Conduct and certain other "excepted trusts'' need not be disclosed. Have you excluded from this report details of such a trust benefiting you, your spouse, or a dependent child?

Generally, you must disclose information not only about your own assets and income, but also those of your spouse and dependent children. This includes assets of a trust in which you, your spouse, or a dependent child has a beneficial interest. If you and your family members have no trusts, or if your Statement fully discloses any trust assets, check the box marked "NO."

If you have an excepted trust, qualified blind trust (only Members or employees of the House), or qualified diversified trust, as described below, you need not disclose its assets, but you must then check "YES" in response to the "Trust" question on page 1. You must still disclose the value and income of the trust on Schedule III.

There are three circumstances where disclosure of trust assets is not required. The first is for trusts termed "**excepted trusts**" that meet the following criteria: (1) The trust was not created directly by you, your spouse, or any dependent; and (2) None of you has specific knowledge of the holdings or sources of income of the trust.

The second exception from disclosure of trust assets is for trusts which are "**qualified blind trusts**" as defined in the Ethics in Government Act (5 U.S.C. app. 4, §102(f)(3)). In summary, such a trust must meet the following requirements: (1) the trustee is an independent financial institution, lawyer, certified public accountant, broker, or investment adviser; (2) there are no restrictions on the disposition of the trust assets unless such restrictions are expressly approved by the Committee on Standards of Official Conduct; (3) the trust instrument restricts communications between the trustee and interested parties sufficiently to avoid disclosure of assets; and (4) the proposed trust instrument and the name of the trustee have been submitted to and approved in writing by the Committee.

In the event that a newly formed trust is approved by the Committee as a qualified blind trust, all assets transferred to the trust upon its creation and subsequently (for as long as the trustor is required to file Financial Disclosure Statements) must be identified, valued, and made available to the public in the same manner as are Financial Disclosure Statements. For qualified blind trusts established after July 24, 1995, the category of the total cash value of any interest of the reporting individual in a qualified blind trust must be reported in Schedule III of Form A. The Ethics in Government Act itself should be consulted for the specific requirements concerning a qualified blind trust (*see* Appendix A, pages A–6 through A–9).

The third exception from disclosure of trust assets is for a "**qualified diversified trust**" as described in the Ethics in Government Act (5 U.S.C. app. 4, §102(f)(4)(B)). Because you must give up almost total control of your finances, the use of such a financial arrangement is rare. A qualified diversified trust created for the benefit of you, your spouse, or a dependent child must consist of a well-diversified portfolio of readily marketable securities. None of the assets may consist of securities of entities having substantial activities in the area of your primary responsibility. The trust instrument must prohibit the trustee from making public or informing any interested party of the sale of any securities. The trustee must be given power of attorney to

prepare your personal income tax returns and similar documents which may contain information relating to the trust. As with a qualified blind trust, the trustee and trust instrument must be approved in advance and in writing by the Committee on Standards of Official Conduct.

Spouse and Dependent Disclosure

Exemption

Have you excluded from this report any assets, "unearned" income, transaction, or liabilities of a spouse or dependent child because they meet all three tests for exemption?

This question asks you to indicate if you have omitted any information about your spouse or dependent children under the three statutory standards for exemption discussed below. In those *rare* instances where information may be excluded, check the "YES" box. If you have included all information regarding the finances of a spouse or child, or if you have no spouse or child, then the box marked "NO" should be checked.

You may omit disclosure of certain financial interests and liabilities of a spouse or dependent child only if *all three* of the following criteria are met: (1) the item is the sole financial interest or responsibility of your spouse or dependent child and you have *no specific knowledge* of the item; (2) the item was *not,* in any way, past or present, derived from your income or assets, *and* (3) you do not derive or expect to derive any financial or economic *benefit* from the item. If you omit any reporting because these three circumstances are met, you must check the "YES" box on the first page of the Statement in response to the "Exemption" question.

An explanation of the three criteria for exemption follows.

(1) To satisfy the "knowledge test," you must have no detailed or specific knowledge of a financial interest or responsibility of your spouse or dependent child. For example, if you know that your spouse has inherited stock in a number of different corporations, but you do not know the identity of the corporations or the extent of the stock holdings, you would be considered to have no knowledge of those financial interests for purposes of this exemption. Knowledge would be presumed, however, if you filed a joint tax return which included information regarding the assets in question.

(2) To satisfy the "independence test," the financial interest or responsibility must be solely that of your spouse or child, and must have been obtained through your spouse's or child's own activities or financial resources (as would be the case with a bequest, inheritance, gift, or other means totally unrelated to you). If any part of your income, financial interests, or activities contributed in any way to the acquisition or disposition of the item, then the item would not meet this criterion.

(3) The "benefit test" that must be met should be interpreted very broadly. The law requires that you neither derive nor expect to derive any financial or economic benefit from the item. 5 U.S.C. app. 4, §102(e)(1)(E). You benefit under this standard if income from the holdings of your spouse or dependent child is used, for example, for your vacations, the education of your dependents, or the maintenance of your home. In addition, you stand to benefit from interests held by a spouse or dependent child if you have the possibility of inheriting the interest.

Only in rare circumstances will a person be able to meet all three criteria for exemption from reporting the holdings, liabilities, or transactions of a spouse or dependent child. You should

confer with the staff of the Committee on Standards of Official Conduct before claiming the exemption.

CERTIFICATION

[ALL FILERS: BOTTOM OF PAGE 1, FORM A and FORM B]

You, as the filer, must sign and date the Financial Disclosure Statement after it is completed. By signing the Statement, you are certifying that it (including any accompanying schedules or information) is accurate and complete. The form must be signed by you *personally*, not by someone acting on your behalf, even if someone else prepared, or assisted you in completing, the statement.

Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file a required Financial Disclosure Statement may be subject to civil penalties pursuant to 5 U.S.C. app. 4, §104, and criminal sanctions under 18 U.S.C.§1001.

EARNED INCOME, INCLUDING HONORARIA AND PAYMENTS IN LIEU OF HONORARIA

[ALL FILERS: SCHEDULES I and II, FORM A; SCHEDULE I, FORM B]

The source, type, and amount or value of [earned] income . . . from any source (other than from current employment by the United States Government), and the source, date, and amount of honoraria from any source, received during the preceding calendar year, aggregating $200 or more in value and, effective January 1, 1991, the source, date, and amount of payments made to charitable organizations in lieu of honoraria, and the reporting individual shall simultaneously file with the applicable supervising ethics office, on a confidential basis, a corresponding list of recipients of all such payments, together with the dates and amounts of such payments. [5 U.S.C. app. 4, §102(a)(1)(A)]

The source of items of earned income earned by a spouse from any person which exceeds $1,000 and the source and amount of any honoraria received by a spouse, except that, with respect to earned income (other than honoraria), if the spouse is self-employed in business or a profession, only the nature of such business or profession need be reported. [5 U.S.C. app. 4, §102(e)(1)(A)]

Explanation

The term "*income*," as defined in the Act, is intended to be comprehensive. For reporting purposes, "income" is divided into two categories, earned income and "unearned" income.

Earned income refers to earnings from employment or compensation for personal efforts. Such income, when it totals $200 or more from any one source, must be disclosed on Schedule I of FORM A or FORM B. Pension and retirement payments must be disclosed here, except for income from U.S. Government retirement programs and benefits received under the Social Security Act. You must also report on Schedule I benefit payments from state or local governments such as unemployment compensation.

FORM A filers would normally indicate any earned income (other than their current U.S. Government compensation) in the preceding calendar year. FORM B filers report earned income for both the preceding year and, separately, the current year up to the filing date.

Report the source, type, and dollar amount of earned income. Identify the source by naming the organization, corporation, or other entity making the payment. It is not necessary that individual clients of a business be named, only that the business be named. For example, on Schedule I, an accountant would report his or her firm as the source of earned income, not the clients for whom the work was performed. Describe the type of income as salary, commissions, fees, pension, etc., as appropriate.

The law requires that *gross amounts* be used for reporting income. Thus, you must disclose the gross amount of salary or fees without first deducting expenses. The same holds true for an unincorporated business such as a sole proprietorship you own. The gross income of the business must be reported. You may report the net income in addition to, but not in place of, the gross income figure.

Candidates and new employees must report the source, date of receipt, and amount of honoraria on Schedule I of FORM B. Separately list each payor of a fee for a speech, appearance, or article, together with the date the payment was received, and the amount of the payment.

Spouse and Children. Except for honoraria, disclose only the source and type of your spouse's earned income, not the amount. Disclose each source that paid more than $1,000, including the Federal Government. The one exception is for honoraria, where you must disclose the source *and* amount of any fees paid to your spouse for speeches, appearances, or articles. You do not need to disclose any information regarding the earned income of a dependent child.

Income Cap. The outside earned income of Members of the House has been limited for a number of years. Beginning with calendar year 1991, all Members, officers, and employees paid at or or above the "senior staff" rate ($102,168 in 2003) for more than 90 days in a calendar year became subject to an annual earned income limit of 15 percent of the Executive Level II salary. For calendar year 2003, the earned income cap for Members and senior staff was $23,205. For 2004 the threshold has increased to $104,927, and the outside earned income cap will be $23,715. Contact the Committee on Standards of Official Conduct for information on the exact dollar amount of the limit in other years. Where a Member or senior employee inadvertently receives earned income in excess of the cap, he or she may be donate the excess to a qualified charitable organization described in 26 U.S.C. §170(c), subject to certain conditions. See *House Ethics Manual*, pp. 140–41. You must still disclose the income, but indicate that it was donated to charity.

Certain types of earned income, such as pensions from prior employers or deferred compensation for services rendered prior to current legislative employment, do not count against the earned income limit. Nonetheless, such income must be reported on the Financial Disclosure Statement. You may wish to note parenthetically that such income is for services rendered prior to House employment and is not subject to the outside earned income limit.

Fiduciary Limits. Regardless of whether the outside earned income cap has been reached, certain compensated professional activities are barred for Members, officers, and those employees earning at or above the senior staff rate for more than 90 days in a calendar year. If you fall into one of these categories, you may not receive compensation for providing professional services involving a fiduciary relationship, or for being employed by an organization that provides such services. Further, you may not be compensated for serving as an

officer or member of the board of any association, corporation, or other entity (including charitable or political organizations, or family businesses). Finally, you may not teach for compensation, without prior written approval of the Committee on Standards of Official Conduct.

A more detailed discussion of the outside earned income limits for Members and staff is included in the *House Ethics Manual*, 102d Cong., 2d Sess. 101–110, and 132–141 (1992), issued by the Committee. However, certain advice in the *Manual* regarding the fiduciary limits was superseded in a Committee advisory memorandum to the House of February 23, 1998.

Exclusions

Income of the filer from current U.S. Government employment (including military pay such as from the National Guard or Reserve), Federal retirement programs, and benefits received under the Social Security Act need not be disclosed. Life insurance proceeds need not be shown. Except for honoraria, report only the source (including U.S. Government employment) and type, but not the amount, of a spouse's earned income which exceeds $1,000. Earned income of a dependent child need not be reported.

Definitions

The term "*income*" means "all income from whatever source derived, including but not limited to the following items: compensation for services, including fees, commissions, and similar items; gross income derived from business (and net income if the individual elects to include it) . . . ."

The term "*honorarium*" means a payment of money or any thing of value for an appearance, speech, or article, excluding any actual and necessary travel expenses incurred by such individual (and one relative) to the extent that such expenses are paid or reimbursed.

Reporting Payments to Charity in Lieu of Honoraria

[FORM A FILERS ONLY: SCHEDULE II]

Since 1991, Members, officers, and employees of the House of Representatives have been prohibited by both Federal law and House rules from receiving honoraria. (An exception to the honoraria prohibition for employees paid below the "senior staff" level in certain circumstances was approved in the 106th Congress; see House Rule, clause 1(a)(2).) Honoraria are payments for speeches, appearances, and articles.

Even under this prohibition, payments in lieu of honoraria may be made to qualified charities by sponsors of speeches, appearances, and articles. Such payments must be made directly by the sponsor of an event to the charity; the Member, officer, or employee may not serve as intermediary. The maximum that may be directed to charity for any one speech, appearance, or article is limited by statute to $2,000, and no payment may be made to an organization from which the Member, officer, or employee, or a parent, sibling, spouse, child, or dependent relative of that individual derives any financial benefit.

On Schedule II of FORM A, filers must list under "source" the sponsor of each event for which a payment was made to charity in lieu of an honorarium being paid. The type of activity—i.e., speech, appearance, or article—must be identified, as well as the date and dollar amount. The date will either be the date of a speaking engagement or appearance or, in the case of an article, the date the payment was made.

The House gift rule (clause 5 of House Rule 25) imposes an additional requirement regarding the reporting of charitable contributions in lieu of honoraria. The rule provides that where the charitable contribution is made by a registered lobbyist or an agent of a foreign principal (under the Foreign Agents Registration Act), the House Member, officer or employee who recommended or designated the recipient charity must file a report with the Clerk of the House within 30 days. This reporting requirement—which applies *only* where the donor is a registered lobbyist or foreign agent—is *in addition* to the requirement for the reporting of payments on Financial Disclosure Statements. The text of the gift rule appears as Appendix C, and the provision that addresses charitable contributions in lieu of honoraria is clause 5(d)(2) of House Rule 25.

Confidential Report of Recipient Charities

A FORM A filer who knows that a payment has been made to charity on account of a speech, appearance, or article must report that fact on Schedule II of the Financial Disclosure Statement, even though the sponsor of the event made the donation directly. You need not identify the recipient charities on the Statement itself. However, the Act requires that you simultaneously submit to the Committee on Standards of Official Conduct a confidential list of the charities receiving the payments, including the dates and amounts of such payments.

Where a payment is to be made by a registered lobbyist or foreign agent at the request of a House Member, officer or employee, the reporting requirement of the gift rule summarized above *also* applies. The information required to be reported under the gift rule includes identification of the recipient charity. Any charity identified on a gift rule report should also be identified on either Schedule II or the confidential list of charities submitted to the Committee.

The Committee has not prepared a separate form for the reporting of charities that received payments in lieu of honoraria. Instead, you are free to use any format that is compatible with your personal record-keeping. The report should include your name, the year, the names of each charity *known* to have received payments because of speeches, appearances, and articles, the amount, the entity making the payment to charity, and the date of the event or the date the payment was made or requested (the same date as on the public Statement).

The Committee recognizes that you may not always know that a charity has received a payment. For example, you may have requested that a payment be made, but did not receive confirmation that the request was honored. Or, you may have a policy of suggesting that the sponsor of an event choose from among several charities, but not know which organization was the actual recipient. If you have requested that a payment be made to charity, then the sponsor, date, and amount should be disclosed on your public report. If you do not know whether a charity received the payment, simply indicate in the confidential report what request was made of the sponsor (i.e., the names of the charities), but state that you do not know which charity received the payment, or whether the requested payment was made.

The Committee has included in each Member's filing package a green envelope to use for submitting the confidential report. Officers and employees may obtain envelopes upon request or use their own envelopes. Indicate on the envelope your name and State and district (if a Member) or employing office (if an officer or employee). After enclosing the confidential report, seal the envelope and send it to the Committee on Standards of Official Conduct, HT–2, The Capitol, Washington, D.C. 20515. The Committee will then retain the envelope in its files. It will

be unsealed only if the Committee determines that examination of the information is essential to an investigation by the Committee.

ASSETS AND "UNEARNED" INCOME

[ALL FILERS: SCHEDULE III, FORM A and SCHEDULE II, FORM B]

The identity and category of value of any interest in property held during the preceding calendar year in a trade or business, or for investment or the production of income, which has a fair market value which exceeds $1,000 as of the close of the preceding calendar year, excluding any personal liability owed to the reporting individual by a spouse, or by a parent, brother, sister, or child of the reporting individual or of the reporting individual's spouse, or any deposits aggregating $5,000 or less in a personal savings account. For purposes of this paragraph a personal savings account shall include any certificate of deposit or any other form of deposit in a bank, savings and loan association, credit union, or similar financial institution. [5 U.S.C. app. 4, §102(a)(3)]

The source and type of income which consists of dividends, rents, interest, and capital gains, received during the preceding calendar year which exceeds $200 in amount or value, and an indication of which . . . categor[y] the amount or value of such item of income is within. [5 U.S.C. app. 4, §102(a)(1)(B)]

The category of the total cash value of any interest of the reporting individual in a qualified blind trust, unless the trust instrument was executed prior to July 24, 1995 and precludes the beneficiary from receiving information on the total cash value of any interest in the qualified blind trust. [5 U.S.C. app. 4, §102(a)(8)]

Explanation

"Unearned" income consists of rents, royalties, dividends, interest, capital gains, and similar amounts received as a return on investment. Filers of both FORM A and FORM B must disclose the following on Schedules III and II, respectively, of the Financial Disclosure Statement: real and personal property held for investment or production of income and valued at more than $1,000 at the close of the reporting period, together with the category value of the asset; a listing of any asset that generated income of more than $200 during the reporting period, together with its category of value; and the type (e.g., dividends, rent, interest, etc.) and category of value of income derived from each such asset.

FORM A filers must indicate in a Transaction column whether the asset was purchased, sold, or exchanged, if any, during the reporting period. In most cases a FORM A filer will have to include an asset that was purchased, sold, or exchanged during the year in *both* Schedule III *and* Schedule IV.

You need not disclose personal property that is not principally held for investment or the production of income (e.g., household goods and furniture, automobiles, jewelry, and paintings). Thus, a painting held in your home for your enjoyment does not have to be listed unless the painting was sold during the reporting period and generated more than $200 in profit. If you are in the business of buying and selling paintings for profit, however, you must disclose the paintings and their category of value under "Assets." Other items you need *not* report include

checking accounts that do not pay interest, the cash value of (or income from) a life insurance policy, and interests in Federal retirement programs.

Real and personal property are treated in the same manner. You must report only real property held in a trade or business, for investment, or for the production of income. You need not disclose a personal residence (including any gain from its sale) unless it generated rental income, including, for example, from the rental of the basement or a single room. A second home, vacation house, or other property that is held purely for recreational purposes and is not rented at any time during the reporting period need not be reported.

Reportable items include the gross value of business interests, stocks and bonds, real estate, savings accounts, trust assets (see below), loans to others (except to your spouse, or to your or your spouse's parent, brother, sister, or child), and any other investment or income-producing property. Reportable holdings also include interests in property which are less than outright ownership, such as a life estate or a remainder interest, but only if the interests are vested (i.e., the interests are not contingent).

Any interest in property held during the calendar year must be listed if the value at the close of the reporting period was greater than $1,000, *or* if the asset generated more than $200 in income in the reporting period. If the property is no longer worth more than $1,000 to you because all or part of it was sold during the year, then any sale valued at more than $1,000 must be reported by a FORM A filer as a "Transaction" on Schedule IV.

Columns are included in the "Value" portion of the form to indicate that an asset was worth less than $1,001 to you or had no value to you at the end of the reporting period. This might be the case, for example, if an asset that generated more than $200 in income during the reporting period was sold or was no longer worth more than $1,000. If the asset declined in value to below the $1,000 threshold and did not generate more than $200 in income, it need not be reported.

You need not disclose your personal account number for any holding.

Reporting Particular Holdings

Securities. Stocks, bonds (including savings bonds), stock options, and other securities held by you, your spouse, or a dependent child, as well as income from those securities, must be reported in accordance with the requirements summarized above. You must disclose each security held in your portfolio that meets the asset or income threshold. If securities are held through an investment firm, the firm will normally provide periodic statements from which you may obtain the information required to be disclosed regarding each holding.

For options, list the value of the options contract. If the value is not known, list the specific stock name, the number of shares, the purchase price under the option and the date on which the option will expire.

While you must identify the issuing authority, you need not include such information as the number of shares, maturity date, or interest rate. *However, for securities that are not publicly traded, you must provide a description of the issuer's trade or business and geographic location, since this information is not listed in investment manuals*. If you own different types of securities issued by the same authority, such as U.S. Treasury obligations or municipal bonds, it is not necessary to provide an itemized list of each security worth over $1,000. Rather, you may simply

report the aggregate value of the securities issued by the same authority and identify the type of securities. For example, "U.S. Treasury bonds and notes" and "New York Port Authority Bonds" are acceptable descriptions; "Municipal bonds" is insufficient since the issuing authority is not identified.

Securities pay interest in different ways. On many bonds, interest accrues during the lifetime of the instrument, but is not paid until maturity. If you can determine the interest that has accrued in a particular period, you may report that amount. However, you may find it easier to wait until a bond matures and report all of the interest at that time. That approach is acceptable as long as you use it consistently.

Please note that in addition to listing securities on Schedule III, FORM A filers must *also* report the details of certain *transactions* in securities, as well as in real property, on Schedule IV.

Mutual Funds and Similar Investments. You need not disclose specific stocks held in a widely diversified investment trust or mutual fund, as long as 1) the holdings of the trust or fund are a matter of public record (or the fund is publicly traded) *and* 2) you have no ability to exercise control over the specific holdings. Both of these requirements must be satisfied in order to list the name of the fund or account rather than the individual holdings. If you possess the legal power to exercise control over specific holdings, you must disclose each holding that exceeds $1,000, whether or not you exercise that power.

Disclose the *full name* of the trust or mutual fund. For example, you would list "Fidelity Magellan Fund" or "Janus 20 Fund". Listing "Fidelity funds" or "mutual funds" would be insufficient since the specific investment would not be identified. The category of value of the interest held, and the type and amount of any income must also be disclosed.

Family Partnerships, Investment Clubs and Other Holding Arrangements. Where you, your spouse, or a dependent child has an interest in a corporation or partnership (including a family partnership) that is not actively engaged in a trade or business, but instead is operated for investment purposes, you must also separately list each asset held through the partnership or corporation where your interest (or that of your spouse or dependent child) in any particular asset exceeds $1,000, or your share of income from any one source exceeds $200. Similarly, if you participate in an investment club, you must disclose your share of the holdings to the extent your interest (or that of your spouse or dependent child) in any particular asset exceeds $1,000, or your share of income from any one source exceeds $200. (Your share of transactions exceeding $1,000 should also be disclosed on Schedule IV if you file FORM A.)

Bank Accounts. Interest-bearing savings accounts held by you, your spouse or a dependent child must be reported only if their total value exceeds $5,000 as of the end of the reporting period. If the total does exceed $5,000, list each institution holding accounts worth more than $1,000. If no single institution holds more than $1,000, you need not report any bank accounts. (Checking accounts that do not bear interest are *excluded* in making these calculations.)

Thus, the $5,000 threshold does *not* mean that any account of less than $5,001 need not be reported. Instead, all interest-bearing personal savings accounts of you, your spouse, and dependent children at all institutions should be added together; if the total value at the end of the reporting period is more than $5,000, then you must report each institution holding accounts valued at more than $1,000. You must also report any account that generated more than $200 in

interest in the year, even if it was valued at less than $1,001 at the close of the reporting period, and even if your total deposits were less than $5,000.

The accounts to be reported under these rules include interest-bearing, cash-deposit accounts at banks, credit unions and savings and loan associations, including interest-bearing checking accounts, passbook and other savings accounts, money market accounts, NOW accounts, certificates of deposit, and IRAs held in the form of savings accounts or CDs.

Report money market brokerage and similar accounts that function as bank accounts in the same way that you report bank accounts. Thus, you need not report each deposit or withdrawal over $1,000 even though these transactions may technically be purchases and sales of shares in the account.

All accounts at one institution, including those of a spouse or dependent child, may be combined as one entry. Thus, for example, you may report a checking account, savings account, certificate of deposit, and IRA at the First National Bank of Georgia by stating "First National Bank of Georgia accounts," together with the combined year-end value and interest earned.

If you are listed on an account purely for custodial reasons and you do not assert any ownership rights to the assets in the account (for example, if you are joint tenant with an elderly relative), you need not report the account.

Pension Programs, IRAs and Other Retirement Accounts. While the law explicitly exempts from reporting financial interests in U.S. Government retirement programs, including the Thrift Savings Plan, there is no such exemption for other types of retirement programs. Thus, the value of such assets as non-Federal retirement programs (including State government programs), Individual Retirement Accounts (IRAs), annuities, and Keogh plans must be reported. The Committee has determined, however, that if you lack the power to make specific investment decisions within the plan (i.e., it is not self-directed), only the name of the plan or location of the account and the value at the end of the reporting period need be shown. "NA" may be indicated for income *only* for those accounts where you do not have the power to choose specific investments. You do not have to report the amount of funds contributed to or accumulated in the plan during the reporting period. It is not sufficient merely to state "IRA". You must provide the name of the entity managing the investment, together with the value at the end of the period.
If a retirement program is with a financial institution, brokerage house, or similar entity and you have no discretion regarding purchases or sales of specific assets in the account, then the underlying assets need not be separately listed. Only the name of the entity where the account is held and its value must be provided in such instances. However, where you have discretion regarding the specific stocks or other items in the account (such as in a self-directed IRA), then those specific items must be listed *in the same detail* as non-retirement assets and income. Income must be reported even though it may not be subject to Federal taxation.
If you are a FORM A filer, you do not have to report as a transaction a change in retirement account custodians or a "roll over" of funds from one retirement account to another. However, you should parenthetically explain any change on Schedule III where you list the new account. For example: "Fidelity Asset Management Fund (IRA rolled over from Lincoln pension plan)."
Interest in an Active Business. If you, your spouse, or a dependent child has an interest in a proprietorship, partnership, or corporation that is actively engaged in a trade or business, state the name of the trade or business, describe the nature of its activities, and state its geographic

location in Block A of Schedule III of FORM A or Schedule II of FORM B. It is not necessary to provide an itemized list of the assets of the business. For example, you need only list the total value of your interest in an accounting firm, not such items as "office equipment."

S Corporations. State the name of the corporation, describe the nature of its activities, and state its geographic location in Block A of Schedule III of FORM A or Schedule II of FORM B. Under the Internal Revenue Code, a small business may elect to have its income taxed directly to its shareholders even though it is incorporated for liability purposes. This income is passed through to shareholders in the form of dividends. However, particularly in the case of personal service businesses, dividends may actually reflect the value of work performed by the recipient. Where your personal services generate significant income for the business, you should report the payments on Schedule I as earned income, rather than as "unearned" income on Schedule III of FORM A or Schedule II of FORM B. On the other hand, where the dividends truly reflect a return on investment, you should report them as "unearned" income on the appropriate schedule. No matter how the dividends are characterized, you must list the value of the business on Schedule III of FORM A or Schedule II of FORM B.

Limited Partnerships. Limited partnerships are entities which possess attributes of both corporations and regular partnerships. The liability of limited partners is limited to the amount invested, but income and losses flow directly to the partners. In Block A of Schedule III of FORM A or Schedule II of FORM B, you must state the name of the limited partnership, describe the nature of its activities, and state its geographic location. Regarding a limited partnership formed to purchase real estate, see the Column-by-Column instructions below for Block A. (If the partnership is not actively engage in trade or business, refer to the instructions on Family Partnerships, Investment Clubs and Other Holding Arrangements above.)

A limited partner generally receives a Schedule K–1 (IRS Form 1065) at the end of each tax year summarizing the partner's share of income, deductions, and credits. If you hold a limited partnership interest, you need not report separately each type of income in which you shared (e.g., "ordinary income," "portfolio income," "capital gain," and "investment income"). Instead, you may combine the income types and report the total as "Partnership Income." This total normally will be the sum of lines 1 through 7, 19, and 20 of your K–1 form. Your share of income must be reported even if you do not physically receive the funds. On the other hand, as long as amounts received do not exceed the total invested, withdrawals and distributions from your capital account need not be reported, since you are receiving your own money back.

Debts Owed to the Filer. If you have loaned more than $1,000 to anyone other than one of the relatives specified below, *and* you are charging interest on the loan, you must disclose the name of the person or entity (along with a city and state), the category of value of the loan, and the category of value of the interest received. Personal liabilities owed to you by your spouse, or by a parent, sibling, or child of you or your spouse, need not be reported. Loans to a campaign committee must be disclosed if interest is being charged.

Holdings in Trust or Other Financial Arrangements

If you, your spouse, or a dependent child receives income from or has a beneficial interest in principal or income in a trust or other financial arrangement, *each* asset held by the trust which had a fair market value of more than $1,000 at the end of the reporting period must be disclosed. You must disclose the assets of the trust even if you currently receive no income from the trust but have a vested interest in the principal.

If you are *not* the *sole beneficiary*, this may be done in one of *two* ways. You may report each asset of the trust in which your interest exceeded $1,000. For example, if you had a one-fifth

interest, you would disclose all assets worth more than $5,000, together with a category of value that reflects the value of your interest. Alternatively, you may disclose each asset of the trust that has a value in excess of $1,000, and indicate your percentage interest in the trust or other financial arrangement. You must clearly state which of these two alternatives you are using.

Holdings of an estate or trust for which you are merely an administrator or executor, receiving no income and having no beneficial interest in the corpus, need not be reported. Similarly, disclosure is not required if your interest is strictly contingent. For example, if you stand to inherit certain property, but the current owner could dispose of it in the meantime, you need not report the property. Report such a holding only when your rights to it have been legally established, i.e., upon completion of probate.

In certain circumstances, detailed earlier in these Instructions at page 9, disclosure of trust assets may not be required. In those instances, you must nonetheless disclose the name of the trust, and the category of value of the "unearned" income received from the trust. (The total value of the holdings of the trust need not be disclosed except for qualified blind trusts established after July 24, 1995.) In addition, if you do not disclose the holdings of a trust because the trust is a qualified blind trust or meets the other standards for exemption, you must so indicate on the front page of the Financial Disclosure Statement in the space marked "YES" after the "Trust" question near the bottom of the page: ("Have you excluded from this report details of such a trust benefiting you, your spouse or a dependent child?").

Asset Comparison on Successive Filings

As part of its FORM A review, the Committee on Standards of Official Conduct (or its designee) compares the assets listed on a filer's previous Financial Disclosure Statement with those reported on the current year's. If an asset appears for the first time, or if a previously reported asset is no longer disclosed, the reviewers look for a corresponding report of a purchase, sale, or exchange on the "Transactions" schedule. If none appears, the Committee may contact the filer to make certain that the item was not inadvertently omitted. There are, however, instances where a reportable transaction has not occurred. For example, an asset disclosed in a previous year may have decreased in value to below the reporting threshold without any sale or exchange, the property may have belonged to a child who is no longer a dependent, or the property may have belonged to a spouse from whom the filer is permanently separated or divorced. Other assets may be reported for the first time because of an increase in value, acquisition through inheritance, or because the assets of a new spouse are included. Therefore, when the appearance or disappearance of any asset is not reflected as a transaction, you may wish to explain it parenthetically on Schedule III.

Column-By-Column Instructions

FORM A and FORM B elicit similar information on assets and "unearned" income. The main difference is that FORM B filers must separately give information regarding income for both the preceding year and current year to the filing date. FORM B filers do not, however, have to provide the transaction information required of those who submit FORM A. A discussion of each column on the forms follows.

Spouse, Dependent Child, or Jointly Held: As discussed previously (pages 5 and 9), you must generally report information regarding the assets and "unearned" income of your spouse or

dependent children to the same extent you would report your own. If you wish to indicate that an item is that of a spouse or dependent child, or is jointly held, you may do so by including an "SP" for spouse, "DC" for dependent child, or "JT" for jointly held property in the first column.

Identity of Assets and/or Income Sources (Block A): Each asset listing should provide clear information regarding its identity, including the nature of the holding and its location, where appropriate.

For real property, give a brief description (such as number of acres and indication of any improvements), and its location (street or postal address, town or city, and state). Identifying information used when the property is recorded with local officials will suffice. Larger pieces of property whose identity is generally known need not be described in as much detail. For example, a rental house should include the street address, city and state; a large office building or shopping center may just be identified by name, city and state (e.g., "Chrysler Building, New York, New York").

The specific property must be disclosed even when it is held in partnership or by someone else for your benefit. For example, if you own an interest in a limited partnership established to purchase real estate, the property should be identified, as well as the partnership (e.g., "Tysons Limited Partnership, owning Tysons Corner Center, Tysons, Virginia"). An exception to the requirement that you must disclose underlying holdings is large public partnerships which are often publicly traded, and which have interests in many properties (e.g., "Carlyle 1991 Limited Real Estate Partnership").

The identity of a personal property holding should include the name of the corporation, partnership, financial institution, trust, or other entity in which the interest is held, and the type of interest (such as common stock, bonds, savings account, sole beneficiary, etc.) You may disclose your percentage ownership interest (e.g., "¼ interest," "51%"), but you are not required to do so.

When listing securities, report separately each stock holding that was worth more than $1,000 on the last day of the reporting period, *or* that generated more than $200 in income during the reporting period. The number of shares need not be reported. If the shares are not publicly traded, provide a description of the issuer’s trade or business and geographic location.

For banks and savings institutions, give the location if not apparent from the name (e.g., "1st National Bank of Milwaukee;" "First National Bank and Trust, Minneapolis, Minnesota"). Only the names of national brokerage houses need be given, while brokers operating in a limited area should be identified in greater detail (e.g., "Merrill Lynch Money Market Account;" "Money Market Account, Smith Investments, McLean, Virginia").

Value of Assets (Block B): Indicate the fair market value of an item as of the end of the year or other reporting period by marking with an "X" or check mark the appropriate category, designated A through L. These categories are the same as used in most other places on the Financial Disclosure Statement except for "unearned" income, where the categories are entirely different. As discussed previously in these Instructions, "value" is defined in the law as "a good-faith estimate of the dollar value if the exact value is neither known nor easily obtainable by the reporting individual." See page 5 of the Instructions and the definition section on page 19 for more information on "value."

It is not necessary that you have your property appraised to ascertain its value. Your good faith estimate may be based on such information as recent sales of comparable property. Alternatively, you may use a tax assessment (adjusted to reflect 100 percent valuation), or exact purchase price and date of purchase of real property; the book value of a corporation whose stock is not publicly traded; the net worth of a business partnership; the equity value of an individually owned business; or, with respect to other holdings, any recognized indication of value. If you use such an alternative valuation method, attach an explanation of the method used. If you use the purchase price and date or the adjusted tax value, the law requires that you report the exact purchase price or adjusted assessment amount in lieu of category of value.

The value section includes a "None" box. This should be marked if an asset has been sold and therefore has no value to you at the end of the reporting period, although it must be included because it generated income of more than $200.

The fair market value of rental property or other real estate should *not* reflect any mortgage on such property. The law requires that the gross value of property and the gross rent receipts be reported. Any mortgage on the property should be shown under "Liabilities" later in the Financial Disclosure Statement. The gross value of the entire property should be reported even if only part of the property (for example, the basement of a residence) is used for rental purposes.

Type of Income (Block C): "Unearned" income derives from the assets and other income sources listed in Block A. It includes but is not limited to such items as interest, rents, dividends, and capital gains. Place an "X" in the appropriate column, or, if you have some other type of "unearned income," write a brief description (e.g., "Farm Income") in this block. *If you had no income from a particular asset, you may leave Block C blank and check "none" under Block D.*

Amount of Income (Block D): "Unearned" income must be reported on the Financial Disclosure Statement when it totals more than $200 in a calendar year from any one source. As is the case in reporting the value of assets, the amount or value of income is indicated by marking the column of the appropriate category. Note that the categories for reporting "unearned" income are different from those used elsewhere on the form. Thus, they are identified by Roman numerals (I through XI) rather than letters. There is also a "None" category.

In reporting income (including that from a business), the *gross* dollar amount or value must be used. The one exception is in the case of capital gains, where the net gain over basis is shown in Block D, while the gross value of the sale is shown by FORM A filers on Schedule IV as a transaction. You may also report the net value separately if you so choose. This may be done on a line immediately below the required entry.

If you prefer, you may use the exact dollar amount in lieu of the category of value. In addition, you may use a legible computer printout or similar listing (e.g., monthly brokerage account statements for the entire covered period), provided that all of the information required by the Financial Disclosure Statement is included in those account statements. Since tax forms do not track the Financial Disclosure requirements, you may not submit copies of your tax return in lieu of a Financial Disclosure Statement.

FORM B filers have two sets of category columns to complete—one for the current year to date, and the second for the preceding calendar year. A date less than 31 days before the filing date must be selected as the date as of which information is current, and this date must be indicated as

the end of the reporting period on the front page of the form.

Transaction (Block E): If a listed asset was purchased, sold, or exchanged during the year, filers of FORM A should indicate "P" (for purchase), "S" (for sale), or "E" (for an exchange) in this block. In most cases, a FORM A filer must report the details of these transactions on Schedule IV of the Financial Disclosure Statement.

As noted previously, there are circumstances where an asset disclosed in a previous year is no longer reported, or an asset is reported for the first time, but no reportable purchase, sale, or exchange has occurred. For example, an asset may increase or decrease in value, an asset may be the property of a new spouse or a former spouse or dependent, or an asset may have been acquired through inheritance. Because the Committee compares the current year's filing with the previous year's and questions assets which appear or disappear without a corresponding transaction, FORM A filers may wish to explain such occurrences parenthetically on Schedule III.

Exclusions

Personal liabilities owed to you by your spouse, or by a parent, brother, sister, or child of you or your spouse, need not be disclosed.

Deposits in personal savings accounts need not be disclosed unless all accounts total more than $5,000 as of the close of the calendar year, in which case all accounts valued at more than $1,000 must be reported. The term "personal savings account" includes any certificate of deposit or any other form of deposit in a bank, savings and loan association, credit union, or similar financial institution.

A personal residence, or other real property not held for investment purposes, including a second residence, timeshare, or vacation home, need not be disclosed unless it generates rental income.

Personal property that is not principally held for investment or the production of income (e.g., household goods and furniture, automobiles, jewelry, and paintings) does not have to be reported.

Financial interests in or income derived from any *Federal* retirement system, including a Thrift Savings Plan account, need not be reported.

Definitions

The term "*income*" means all income from whatever source derived, including but not limited to the following items: gross income derived from business (and net income if the individual elects to include it); gains derived from dealings in property; interest; rents; royalties; dividends; annuities; pensions; income from discharge of indebtedness; distributive share of partnership income; and income from an interest in an estate or trust.

"*Value*" means a good faith estimate of the dollar value if the exact value is neither known nor easily obtainable.

The alternative methods of valuation that may be used if the current value of an interest in property is not ascertainable without an appraisal are as follows:

Real property—

(A) The purchase price and date of purchase; or

(B) The assessed value for tax purposes, adjusted, if necessary, to reflect the fair market value if the assessed value is computed at less than 100 percent of market value.

If either of these two methods is used, exact purchase price or adjusted assessed value must be disclosed in lieu of the category of value.

Personal property—

(A) The book value of a corporation whose stock is not publicly traded;

(B) The net worth of a business partnership;

(C) The equity value of an individually owned business; or

(D) The assessed value for tax purposes, adjusted, if necessary, to reflect the fair market value if the assessed value is computed at less than 100 percent of market value.

The reporting individual may use any other recognized indication of value, provided that a full and complete description of the method used is included with the Financial Disclosure Statement.

TRANSACTIONS

[FORM A FILERS ONLY: SCHEDULE IV]

A brief description, the date, and category of value of any purchase, sale or exchange during the preceding calendar year which exceeds $1,000—

(A) in real property, other than property used solely as a personal residence of the reporting individual or his spouse; or

(B) in stocks, bonds, commodities futures, and other forms of securities.

Reporting is not required under this paragraph of any transaction solely by and between the reporting individual, his spouse, or dependent children. [5 U.S.C. app. 4, §102(a)(5)]

Explanation

You must report each purchase, sale, or exchange of *real property* or *securities* by you, your spouse, or dependent child when the category of value of the transaction, or series of transactions in one type of property, exceeds $1,000 in a calendar year. (Thus transactions such as the purchase or sale of an automobile are *not* to be reported here.) Dividend reinvestment in a particular security that exceeds $1,000 in the calendar year must be reported on the transaction schedule.

Practically any security or real property that you purchased, sold or exchanged during the year will have to be reported on *both* Schedule III *and* Schedule IV.

As used here, the term "securities" includes corporate stocks, bonds and stock options; government obligations; mutual funds and unit investment trusts; limited partnerships; futures and options; and mortgage-backed instruments.

The property should be identified in the same manner used for the reporting of assets and income sources on Schedule III of the Financial Disclosure Statement. On the same line, mark the appropriate box as to the type of transaction, state the date (or dates), and mark the appropriate category of value.

The amount to be reported is the category of value of the total purchase price or total sales price (or the fair market value in the case of an exchange). The extent of any capital gain or loss on the transaction is irrelevant for the purposes of this Schedule.

For stocks, stock options, and most other securities, the transaction date is generally the settlement date. If during the calendar year there were two or more of the same type of transaction in the same security which together totaled more than $1,000, then report the aggregate category of value of all the transactions. The manner in which you report the date depends upon the quantity of transactions. If there are only a few transactions, state each date separately (e.g., "May 5 and November 6, 2003," for two purchases of XYZ Company Stock). When the same item is both purchased and sold in the course of the year, the item may be identified once on a single line. In such an instance, check both the purchase and sale boxes, but give the date for the purchase and sale separately (e.g., "6/18/2003 — purchase; 11/27/2003 — sale").

If there are multiple transactions throughout the year involving the same asset, it is adequate to state the number of transactions, without all of the dates (e.g., "Monthly dividend reinvestment," for the purchase of shares of XYZ Company; or, "18 times on various dates throughout the year" for purchase of S&P 500 call options). When there are many transactions, you may choose to attach brokerage firm printouts to the Financial Disclosure Statement.

Stock and commodity options, futures contracts, and bonds (both corporate and government) are types of securities. You should thus report transactions in these items on Schedule IV of FORM A.

Partnership Transactions. If you have an interest in a partnership that is organized for investment or the production of income and that is not actively engaged in a trade or business, then you must disclose any transactions of the partnership wherein your share of the transaction exceeds $1,000 in value. Transactions of a trust in which you have a beneficial interest must also be reported to the extent your share exceeds $1,000 in value.

Exclusions

Any purchase or sale of property used solely as your personal residence need not be reported, including a secondary residence or vacation home not used for rental purposes.

Any transactions solely by and between you, your spouse, and dependent child are excluded.

Bequests and inheritances need not be shown as transactions.

Stock splits, the opening or closing of bank or similar accounts (such as money market funds), deposits to and withdrawals from such accounts (including checks written on money market and mutual funds), the purchase or sale of certificates of deposit, and contributions to or the rollover of IRAs and other retirement plans (except to purchase individual stocks) need not be reported.

LIABILITIES

[ALL FILERS: FORM A, SCHEDULE V; FORM B, SCHEDULE III]

The identity and category of value of the total liabilities owed to any creditor other than a spouse, or a parent, brother, sister, or child of the reporting individual or of the reporting individual's spouse which exceed $10,000 at any time during the preceding calendar year, excluding—

> ***(A) any mortgage secured by real property which is a personal residence of the reporting individual or his spouse; and***
>
> ***(B) any loan secured by a personal motor vehicle, household furniture, or appliances, which loan does not exceed the purchase price of the item which secures it.***

With respect to revolving charge accounts, only those with an outstanding liability which exceeds $10,000 as of the close of the preceding calendar year need be reported under this paragraph. [5 U.S.C. app. 4, §102(a)(4)]

Explanation

You must list personal obligations on the Financial Disclosure Statement, including those of your spouse and dependent children, totaling over $10,000 *at any time* during the year, regardless of the repayment terms or interest rates. Thus, a loan which had over $10,000 in principal due at some point in the year, but was paid off or paid below that amount, must be listed. (You are free to include additional information, such as the fact that the loan was satisfied during the year.)

Any student loans exceeding the reporting threshold must be disclosed here.

All information regarding a single creditor may be reported on a single line. If you have more than one liability owed to the same creditor, add up the loans to determine if the $10,000 threshold has been met.

The identity of the creditor is the name of the person or organization to which the liability is owed and, unless obvious from the name, the city and state (e.g., "Jane Jones, Miami, Florida;" "Federal Bank of Boston").

Following the name of the creditor, list the type of liability. Examples are "personal loan,"

"business loan,'' "demand note,'' "margin account,'' and "mortgage on rental property.'' When there are several of the same type of loan, further information should be provided. Thus, if you show only one rental property as an asset, "mortgage on rental property'' is sufficient. If, on the other hand, you have multiple rental properties, state the property to which each obligation relates, together with the type of liability (e.g., "Mortgage on 123 Main Street, Dover, Del.'').

In most cases, report the category of value of *the largest amount owed during the calendar year*. The one exception is revolving charge accounts, where the year-end balance is used to determine if the threshold of more than $10,000 has been met. Mark the box which corresponds to the category of value. The categories for reporting liabilities are the same as those for reporting the value of assets and transactions, except that they begin with Category B and $10,001, since loans below that amount need not be reported.

Exclusions

Any contingent liability, such as that of a guarantor, endorser, or surety, and the liabilities of a business in which you have an interest need not be listed. (However, if you are shown on the loan document as jointly obligated with another person, you must report the loan even though you may have co-signed to help the other person obtain credit.) You also need not disclose loans secured by the cash value of a life insurance policy or any tax deficiencies. Further, you need not disclose professional fees (such as legal or medical fees) that you incur and are paying on a regular basis. However, fees of this kind that remain unpaid for a prolonged period, thus resulting in a debtor-creditor relationship, must be disclosed.

The Act specifically excludes the following from the disclosure requirements:

> Liabilities owed to a spouse, or a parent, brother, sister, or child of you or your spouse;
>
> Any mortgage secured by real property which is a personal residence (including a loan secured by a secondary residence or vacation home), as long as the property is not used for rental purposes; and

Any loan secured by a personal motor vehicle, household furniture, or appliance, which loan does not exceed the purchase price of the item which secures it.

The exclusion for mortgages on personal residences includes home equity loans and home equity lines of credit. However, a mortgage must be reported if any part of the residence (such as the basement) is used for rental purposes.

GIFTS

[FORM A FILERS ONLY: SCHEDULE VI]

The identity of the source, a brief description, and the value of all gifts aggregating more than the minimal value as established by section 7342(a)(5) of title 5, United States Code, or $250, whichever is greater, received from any source other than a relative of the reporting individual during the preceding calendar year, except that any food, lodging, or entertainment received as personal hospitality of an individual need not be reported, and any gift with a fair market value of $100 or less, as adjusted at the same time and by the same percentage as the minimal value is adjusted, need not be aggregated for purposes of this subparagraph. [5

U.S.C. app. 4, §102(a)(2)(A)]

Explanation

The House gift rule (clause 5 of House Rule 25) substantially limits the ability of House Members, officers and employees to accept gifts. The text of the gift rule is reprinted in Appendix C, and explanatory materials on the rule are available from the House Standards Committee.

Notwithstanding the limitations on gift acceptance, there are gifts which a House Member, officer, or employee may accept under the specific provisions of the gift rule and as to which disclosure must be made on his or her Financial Disclosure Statement. Examples of such gifts include gifts provided on the basis of personal friendship, contributions to a legal expense fund, and commemorative items that exceed the reporting threshold. (The current definition of "minimal value" under title 5 of the U.S. Code, §7342(a)(5), is $285. However, under the House gift rule, a gift exceeding $250 in value cannot be accepted on the basis of personal friendship without a written determination from the Committee.)

Whether any particular gift may be accepted by a House Member, officer, or employee is determined solely by reference to the House gift rule. The requirements for disclosure of acceptable gifts may be summarized as follows.

In general, you must disclose on your Financial Disclosure Statement all gifts totaling more than $285 from a single source other than a relative.

The terms "gift'' and "relative'' are defined in the Act, and certain categories of gifts are specifically exempted from disclosure (see below). You must disclose gifts from third parties to your spouse or dependent children *unless the gifts are totally independent* of the relationship to you as a Member, officer or employee of the Legislative Branch. You need not report gifts received before you became a Member, officer, or employee of the Legislative Branch.

The value of all gifts from the same source received during the calendar year must be totaled to determine if the reporting threshold of $285 has been met, except that any gift with a fair market value of $114 or less need not be counted. For example, if you received an $90 gift and a $200 item from the same source, neither item would have to be disclosed, since the $90 gift falls below the $114 aggregation threshold and the remaining item is valued at less than $285.

If you, your spouse, and a dependent child each receive gifts from the same source, all those gifts would be tallied to determine if the reporting threshold has been met. You, your spouse, and dependent children do not have separate $285 limits. For example, if an employee and spouse each received $145 items from the same source, these gifts would total $290 in value and would have to be reported.

All types of gifts, including travel-related expenses provided for your personal benefit, must be reported on Schedule VI. However, travel (including food and lodging) in connection with official duties is reported separately on Schedule VII of FORM A, as discussed below. (Entertainment provided while on a fact-finding tour, or reimbursements in excess of your travel expenses are considered gifts and may be accepted by a House Member, officer or employee, if at all, only in accordance with the provisions of the House gift rule.) Gambling and lottery winnings, as well as scholarships, should also be disclosed on Schedule VI.

In disclosing a gift, you must report the source, briefly describe it, and state the value. If you do not know the exact value of a gift, you may use a good-faith estimate of its fair market value (which may be different from its cost to the donor). A group of items received from the same source at the same time are considered one gift and the total value should be added together. The Committee's policy on the valuation of transportation provided on a private aircraft depends upon the circumstances involved. (The applicable section of the Gifts and Travel booklet is reprinted as Appendix D.)

The Committee on Standards of Official Conduct may, in an unusual case, grant a written request for a waiver from the requirement to aggregate and report a gift. Waivers are generally granted for weddings and in other instances where it is determined that the relationship between the recipient and the donor, and the motivation for the gift, are purely personal, and there is no countervailing public purpose requiring the disclosure of the nature, source, and value of the gift. The request for such a waiver is made publicly available in the same manner as Financial Disclosure Statements.

Exclusions

Gifts from relatives and gifts of personal hospitality, as defined in the Act (see below) are exempt, and gifts with a fair market value of $114 or less need not be counted towards the $285 disclosure threshold.

A gift to your spouse or a dependent child need not be reported if it was received totally independent of the relationship to you as a Member, officer or employee of the Legislative Branch. However, if your spouse or dependent child receives a gift based on his or her relationship to you, and you have reason to believe it was given *because* of your official position, the gift must be reported. For example, you would not have to report a rare book valued at $300 received by your spouse from a former college roommate who has no association with you. If, on the other hand, your spouse (or you) were to be given the same book by a personal friend of yours, you need to seek written approval of the Committee on Standards of Official Conduct in order to retain it (because it is valued at more than $250), and list the book on your Financial Disclosure Statement, even though the donor had no involvement in the legislative process.

No reporting is required for gifts provided on an official basis by Federal, State, or local governments.

Local meals (i.e., food and beverages not consumed in connection with a gift of overnight lodging) need not be aggregated towards the reporting threshold.

Political campaign contributions are specifically exempted, as are gifts received when you were not an officer or employee of the Federal Government.

Definitions

"*Gift*'' means a payment, advance, forbearance, rendering, or deposit of money, or any thing of value, unless consideration of equal or greater value is received by the donor, but does not include—

(A) bequests and other forms of inheritance;

(B) suitable mementos of a function honoring the reporting individual;

(C) food, lodging, transportation, and entertainment provided by a foreign government within a foreign country or by the United States Government, the District of Columbia, or a State or local government or political subdivision thereof;

(D) "local meals," i.e., food and beverages which are not consumed in connection with a gift of overnight lodging;

(E) communications to the offices of a reporting individual, including subscriptions to newspapers and periodicals; or

(F) consumable products provided by home-State businesses to the offices of a reporting individual who is an elected official, if those products are intended for consumption by persons other than such reporting individual.

"*Relative*'' means an individual who is related to the reporting individual, as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or who is the grandfather or grandmother of the spouse of the reporting individual, and shall be deemed to include the fiancé or fiancee of the reporting individual.

"*Personal hospitality of an individual*'' means food, lodging, and entertainment extended for a nonbusiness purpose by an individual, not a corporation or organization, at the personal residence of, or on property or facilities owned by that individual, or his or her family. The personal hospitality exemption is limited. It does not extend, for example, to hotel lodging paid for by an individual, corporation, or other organization, or to air travel to get to the location where the hospitality is provided. Furthermore, if the hospitality is to qualify as personal, the host may not take a tax deduction on account of the visit, nor have the expenses of the hospitality reimbursed by another source.

TRAVEL PAYMENTS AND REIMBURSEMENTS

[FORM A FILERS ONLY: SCHEDULE VII]

The identity of the source and a brief description (including a travel itinerary, dates, and nature of expenses provided) of reimbursements received from any source aggregating more than the minimal value as established by section 7342(a)(5) of title 5, United States Code, or $250, whichever is greater and received during the preceding calendar year. [5 U.S.C. app. 4, §102(a)(2)(B)]

Explanation

The House gift rule includes provisions which generally allow House Members, officers and employees to accept travel expenses in certain circumstances, including (1) from a private source for travel *in connection with official duties*, (2) for travel in connection with the individual's *outside business* or *other activities*, and (3) from a political organization for travel in connection with a *campaign* or *fundraising event*. The text of the gift rule is reprinted in Appendix C, and explanatory materials on the rule are available from the House Standards Committee.

The gift rule also requires that a disclosure statement be filed with the Clerk of the House regarding any officially-connected trip taken at private expense within 30 days of return. The requirement for disclosure of officially related travel on your Financial Disclosure Statement is *in addition* to the House gift rule disclosure requirement. In other words, House Members and reporting officers and employees must disclose each privately funded trip taken in connection with official duties on *both* a Travel Disclosure Form filed with the Clerk, *and* Schedule VII of his or her Financial Disclosure Statement.

On Schedule VII, you must disclose travel and travel-related expenses valued at more than $285, provided by any private source other than a relative (with certain exceptions noted under the Exclusions section below). Thus, you must disclose in this section travel for such activities as speaking engagements, conferences, or fact-finding events related to official duties. You must also disclose privately paid travel that, while *not* related to your official duties, was not provided merely for your personal benefit; for example, travel paid for by corporations that you or your family own, travel that is necessary in connection with your service as an officer or board member of any organization, and travel for job interviews must be disclosed here. Such expenses must be disclosed whether the expenses were actually reimbursed or paid directly by the sponsoring organization.

In contrast, travel-related expenses provided merely for your personal benefit (for example, a vacation paid for by a personal friend) are subject to the reporting requirements for Schedule VI, described above.

All travel, food, and lodging expenses received from one source in a calendar year must be counted in determining if the total exceeds $285. Unlike the treatment of gifts, there is no $114 threshold for counting travel reimbursements. Thus, if you received airfare and lodging worth $230 on one occasion from one source, and on a separate occasion received lodging worth $60 from that same source, you must report both events.

You do not have to report the cost of travel on Schedule VII. However, House Members, officers and employees must report the cost of each officially related trip on the Travel Disclosure Form

required by the gift rule. As to any other travel, you should make a good faith estimate of the value to determine whether it was worth more than $285. The Committee's policy on the valuation of transportation provided on a private aircraft depends upon the circumstances involved. (The applicable section of the Gifts and Travel booklet is reprinted as Appendix D.) You do not have to state, however, whether the travel occurred on commercial or private transportation. While travel paid for by a congressional or other Federal campaign committee need not be reported on Schedule VII (see below), other political trips must be reported. Thus, as a general matter, a filer who is a candidate for a State or local office will have to report trips taken in connection with that campaign.

Note: The gift rule imposes limitations on the duration of privately paid travel undertaken in connection with official duties. In the case of travel within the continental United States, a maximum of four consecutive days (including travel time) may be accepted without prior written approval of the Committee on Standards of Official Conduct. In the case of foreign travel, a maximum of seven consecutive days (excluding days on which travel to or from the United States occurs) may be accepted without prior written approval of the Committee. A spouse *or* child may accompany the traveler at the sponsor's expense.

Column-By-Column Instructions

In disclosing travel, it is not necessary to indicate the dollar value or provide an itemized accounting of the expenses provided. Furthermore, you need not say whether travel was on private or commercial carrier. Only the name of the organization providing the travel, together with the dates of travel and a brief description of the itinerary and nature of expenses, is required. Schedule VII of FORM A includes seven columns prompting the necessary information.

Source. Provide the name of the sponsor or organization that *actually paid for or provided the travel* in the first column of Schedule VII. For example, "XYZ Trade Association" or "International Visitors Board."

Date(s). (Time Not Spent at Sponsor's Expense). The inclusive dates of all travel are required by statute. If all of the travel occurred on one date, state this date. Otherwise, list the starting and ending dates of each trip in the second column, i.e., the first day on which any travel was accepted and the last day on which any travel was accepted. It is permissible to extend a trip for a limited period of time at your own expense, accepting return travel from the sponsor, but you must list the inclusive dates of travel. However, to avoid suggesting that travel was accepted for a longer period of time than was actually the case, you should indicate any time not spent at the sponsor's expense in the last column of Schedule VII.

Itinerary and Nature of Expenses Accepted. State the starting point, destination(s), and return location in the third column of Schedule VII. Indicate in the fourth and fifth column whether lodging and food was included. In the sixth column, indicate if travel or travel expenses were accepted to permit a spouse or child to accompany you. Any family member who accompanied you at your own expense need not be indicated.

You may also wish to describe the purpose of the reimbursement by indicating that it was provided in connection with a speaking engagement, legislative conference, fact-finding tour, etc.

Exclusions

Travel provided to your spouse or dependent children need not be reported if the travel is totally independent of the relationship to you as a Member, officer or employee of the Legislative Branch. However, if your spouse or dependent child receives travel based on his or her relationship to you, and you have reason to believe it was given because of your official position, the travel must be disclosed.

You need not report travel provided on an official basis by Federal, State, or local governments, or travel provided by a foreign government which is separately reportable pursuant to the Foreign Gifts and Decorations Act (5 U.S.C. §7342).

You need not report travel provided by a Federal political committee, such as to a campaign or fundraising event, nor travel that occurred in a period when you were not in the Federal Government.

Definitions

"*Reimbursement*" means any payment or other thing of value received by the reporting individual, other than gifts, to cover travel-related expenses of such individual other than those which are—

(A) provided by the United States Government, the District of Columbia, or a State or local government or political subdivision thereof;

(B) required to be reported by the reporting individual under section 7342 of title 5, United States Code (Foreign Gifts and Decorations Act); or

(C) required to be reported under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. §434).

POSITIONS

[ALL FILERS: FORM A, SCHEDULE VIII; FORM B, SCHEDULE IV]

The identity of all positions held on or before the date of filing during the current calendar year (and, for the first report filed by any individual, during the two year period preceding such calendar year) as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of any corporation, company, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States. This subparagraph shall not require the reporting of positions held in any religious, social, fraternal, or political entity and positions solely of an honorary nature. [5 U.S.C. app. 4, §102(a)(6)(A)]

Explanation

You must report your nongovernmental positions with organizations, whether compensated or uncompensated. FORM A filers must report such positions held at any time during the current calendar year up to the date of filing. FORM B filers must report positions held at any time during the current calendar year up to the date of filing, plus the *two* prior calendar years. If you no longer hold the position, you may wish to so indicate.

Report the title or nature of the position, and the name of the organization. No reporting of any monetary value is required in this part. However, if you receive income over $200 as a result of

holding the position, report that income on Schedule I of the Financial Disclosure Statement. (Note, however, that in general, Members and reporting officers and employees may not be compensated for serving as an officer or board member of a corporation, association or other entity.) Any travel provided by an organization for purposes such as to attend meetings should be reported by FORM A filers on Schedule VII.

Exclusions

Positions held in any religious, social, fraternal, or political entities, and positions solely of an honorary nature are excluded. The exemption for honorary positions applies, for example, where you are the honorary chairman of some organization but do not actively participate in the organization's operations. However, if you are on the board of directors and attend directors' meetings or have operational responsibilities for the organization, you must report the position. Service as a trustee or executor need not be listed as a position unless it is for an organization.

Only positions held by you need be reported. Do not report positions held by your spouse or dependent children.

AGREEMENTS

[ALL FILERS: FORM A, SCHEDULE IX; FORM B, SCHEDULE V]

A description of the date, parties to, and terms of any agreement or arrangement with respect to: (A) future employment; (B) a leave of absence during the period of the reporting individual's Government service; (C) continuation of payments by a former employer other than the United States Government; and (D) continuing participation in an employee welfare or benefit plan maintained by a former employer. [5 U.S.C. app. 4, §102(a)(7)]

Explanation

This provision requires the reporting of certain specified employment-related arrangements. It requires the reporting, for example, of an agreement between a House employee and his or her former employer that upon leaving the Government at any time within the next five years, that employee can return to the former employer at a specified salary. Continued payments or benefits from a former employer would include interest in or contributions to a pension fund, profit-sharing plan, or life and health insurance; buyout agreements; severance payments; etc.

Members and employees who file termination reports should list under "Agreements" any jobs they have accepted while in office. The compensation of the position need not be listed when describing the agreement, only the employer, position title and starting date. While any employment agreement—oral or written—that is reached while in office must be disclosed, employment negotiations that did not result in an agreement prior to then need not be disclosed.

COMPENSATION IN EXCESS OF $5,000 PAID BY ONE SOURCE

[FORM B FILERS ONLY: PART VI]

If any person, other than the United States Government, paid a nonelected reporting individual compensation in excess of $5,000 in any of the two calendar years prior to the calendar year during which the individual files his first report under this title, the individual shall include in the report—

(i) the identity of each source of such compensation; and

(ii) a brief description of the nature of the duties performed or services rendered by the reporting individual for each such source.

The preceding sentence shall not require any individual to include in such report any information which is considered confidential as a result of a privileged relationship, established by law, between such individual and any person nor shall it require an individual to report any information with respect to any person for whom services were provided by any firm or association of which such individual was a member, partner, or employee unless such individual was directly involved in the provision of such services. [5 U.S.C. app. 4, §102(a)(6)(B)]

Explanation

You do not have to repeat information regarding your own employment that has already been stated on Schedule I.

If you are a new officer or employee, or a candidate, your first report must include the identity of sources that paid you more than $5,000 in either of the *two* preceding calendar years for services provided directly by you. Where you were a member, partner or employee of a firm or association—including a law firm—this disclosure will include the clients or customers of that firm or association to whom you directly provided services. Also provide the city and state (or country) of the entity making the payment. Compensation from the United States need not be shown.

In accordance with the above, an attorney must disclose clients of his or her law firm on this schedule, although as noted below, there is an exception for information that is considered confidential as a result of a privileged relationship recognized by law. Whether, and in what circumstances, client identity will fall into this exception is to be determined in accordance with the law of the state(s) in which the attorney is licensed.

Besides the source of the compensation, you must describe the nature of the duties generating the compensation from each source. This may be in general terms. You need not disclose the specific matter to which the services related. A general description, such as "Legal Services'' is sufficient. It is not necessary to elaborate further on the type of legal services or to indicate a proceeding to which the services related.

You may exclude information that is considered confidential as a result of a privileged relationship recognized by law. You need not disclose the amount of the compensation received. You do not need to report any information regarding your spouse or dependent children on this Schedule.

BEFORE FILING

Before filing, please double check to make certain that the following have been done:

- Each question on the first page has been answered "YES'' or "NO'' by marking the appropriate box.
- The proper schedule is attached for each question to which a "YES'' answer has been given.

- The schedules have been completed and the name of the filer has been included at the top of every page filed.
- The first page has been signed and dated.
- The correct number of forms have been prepared:

  Members and candidates must file *three* completed Statements with the Legislative Resource Center (two may be photocopies of the original); officers and employees should submit *two* completed Statements (one may be a photocopy of the original). Each copy should bear the signature of the reporting individual, although only one signature must be an original.

APPENDIX A

ETHICS IN GOVERNMENT ACT, TITLE I
As Amended By Public Laws 101–194, 101–280, 102–90, 102–378, and 104–651
(5 U.S.C. Appendix 4, §§101–111)
FINANCIAL DISCLOSURE OF FEDERAL PERSONNEL
Persons Required to File

Sec. 101. (a) Within thirty days of assuming the position of an officer or employee described in subsection (f), an individual shall file a report containing the information described in section 102(b) unless the individual has left another position described in subsection (f) within thirty days prior to assuming such new position or has already filed a report under this title with respect to nomination for the new position or as a candidate for the position.

(b)(1) Within five days of the transmittal by the President to the Senate of the nomination of an individual (other than an individual nominated for appointment to a position as a Foreign Service Officer or a grade or rank in the uniformed services for which the pay grade prescribed by section 201 of title 37, United States Code, is O–6 or below) to a position, appointment to which requires the advice and consent of the Senate, such individual shall file a report containing the information described in section 102(b). Such individual shall, not later than the date of the first hearing to consider the nomination of such individual, make current the report filed pursuant to this paragraph by filing the information required by section 102(a)(1)(A) with respect to income and honoraria received as of the date which occurs five days before the date of such hearing. Nothing in this Act shall prevent any Congressional committee from requesting, as a condition of confirmation, any additional financial information from any Presidential nominee whose nomination has been referred to that committee.

(2) An individual whom the President or the President-elect has publicly announced he intends to nominate to a position may file the report required by paragraph (1) at any time after that public announcement, but not later than is required under the first sentence of such paragraph.

(c) Within thirty days of becoming a candidate as defined in section 301 of the Federal Campaign Act of 1971, in a calendar year for nomination or election to the office of President,

Vice President, or Member of Congress, or on or before May 15 of that calendar year, whichever is later, but in no event later than 30 days before the election, and on or before May 15 of each successive year an individual continues to be a candidate, an individual other than an incumbent President, Vice President, or Member of Congress shall file a report containing the information described in section 102(b). Notwithstanding the preceding sentence, in any calendar year in which an individual continues to be a candidate for any office but all elections for such office relating to such candidacy were held in prior calendar years, such individual need not file a report unless he becomes a candidate for another vacancy in that office or another office during that year.

(d) Any individual who is an officer or employee described in subsection (f) during any calendar year and performs the duties of his position or office for a period in excess of sixty days in that calendar year shall file on or before May 15 of the succeeding year a report containing the information described in section 102(a).

(e) Any individual who occupies a position described in subsection (f) shall, on or before the thirtieth day after termination of employment in such position, file a report containing the information described in section 102(a) covering the preceding calendar year if the report required by subsection (d) has not been filed and covering the portion of the calendar year in which such termination occurs up to the date the individual left such office or position, unless such individual has accepted employment in another position described in subsection (f).

(f) The officers and employees referred to in subsections (a), (d), and (e) are–

(1) the President;

(2) the Vice President;

(3) each officer or employee in the executive branch, including a special Government employee as defined in section 202 of title 18, United States Code, who occupies a position classified above GS–15 of the General Schedule or, in the case of positions not under the General Schedule, for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS–15 of the General Schedule; each member of a uniformed service whose pay grade is at or in excess of O–7 under section 201 of title 37, United States Code; and each officer or employee in any other position determined by the Director of the Office of Government Ethics to be of equal classification;

(4) each employee appointed pursuant to section 3105 of title 5, United States Code;

(5) any employee not described in paragraph (3) who is in a position in the executive branch which is excepted from the competitive service by reason of being of a confidential or policymaking character, except that the Director of the Office of Government Ethics may, by regulation, exclude from the application of this paragraph any individual, or group of individuals, who are in such positions, but only in cases in which the Director determines such exclusion would not affect adversely the integrity of the Government or the public's confidence in the integrity of the Government;

(6) the Postmaster General, the Deputy Postmaster General, each Governor of the Board of Governors of the United States Postal Service and each officer or employee of the United States

Postal Service or Postal Rate Commission who occupies a position for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS–15 of the General Schedule;

(7) the Director of the Office of Government Ethics and each designated agency ethics official;

(8) any civilian employee not described in paragraph (3), employed in the Executive Office of the President (other than a special government employee) who holds a commission of appointment from the President;

(9) a Member of Congress as defined under section 109(12);

(10) an officer or employee of the Congress as defined under section 109(13);

(11) a judicial officer as defined under section 109(10); and

(12) a judicial employee as defined under section 109(8).

(g)(1) Reasonable extensions of time for filing any report may be granted under procedures prescribed by the supervising ethics office for each branch, but the total of such extensions shall not exceed ninety days.

(2)(A) In the case of an individual who is serving in the Armed Forces, or serving in support of the Armed Forces, in an area while that area is designated by the President by Executive order as a combat zone for purposes of section 112 of the Internal Revenue Code of 1986, the date for the filing of any report shall be extended so that the date is 180 days after the later of–

(i) the last day of the individual's service in such area during such designated period; or

(ii) the last day of the individual's hospitalization as a result of injury received or disease contracted while serving in such area.

(B) The Office of Government Ethics, in consultation with the Secretary of Defense, may prescribe procedures under this paragraph.

(h) The provisions of subsections (a), (b), and (e) shall not apply to an individual who, as determined by the designated agency ethics official or Secretary concerned (or in the case of a Presidential appointee under subsection (b), the Director of the Office of Government Ethics), the congressional ethics committees, or the Judicial Conference, is not reasonably expected to perform the duties of his office or position for more than sixty days in a calendar year, except that if such individual performs the duties of his office or position for more than sixty days in a calendar year–

(1) the report required by subsections (a) and (b) shall be filed within fifteen days of the sixtieth day, and

(2) the report required by subsection (e) shall be filed as provided in such subsection.

(i) The supervising ethics office for each branch may grant a publicly available request for a waiver of any reporting requirement under this section for an individual who is expected to

perform or has performed the duties of his office or position less than one hundred and thirty days in a calendar year, but only if the supervising ethics office determines that–

(1) such individual is not a full-time employee of the Government,

(2) such individual is able to provide services specially needed by the Government,

(3) it is unlikely that the individual's outside employment or financial interests will create a conflict of interest, and

(4) public financial disclosure by such individual is not necessary in the circumstances.

Contents of Reports

Sec. 102. (a) Each report filed pursuant to section 101 (d) and (e) shall include a full and complete statement with respect to the following:

(1)(A) The source, type, and amount or value of income (other than income referred to in subparagraph (B)) from any source (other than from current employment by the United States Government), and the source, date, and amount of honoraria from any source, received during the preceding calendar year, aggregating $200 or more in value and, effective January 1, 1991, the source, date, and amount of payments made to charitable organizations in lieu of honoraria, and the reporting individual shall simultaneously file with the applicable supervising ethics office, on a confidential basis, a corresponding list of recipients of all such payments, together with the dates and amounts of such payments.

(B) The source and type of income which consists of dividends, rents, interest, and capital gains, received during the preceding calendar year which exceeds $200 in amount or value, and an indication of which of the following categories the amount or value of such item of income is within:

(i) not more than $1,000,

(ii) greater than $1,000 but not more than $2,500,

(iii) greater than $2,500 but not more than $5,000,

(iv) greater than $5,000 but not more than $15,000,

(v) greater than $15,000 but not more than $50,000,

(vi) greater than $50,000 but not more than $100,000,

(vii) greater than $100,000 but not more than $1,000,000, or

(viii) greater than $1,000,000 but not more than $5,000,000, or

(ix) greater than $5,000,000.

(2)(A) The identity of the source, a brief description, and the value of all gifts aggregating more than the minimal value as established by section 7342(a)(5) of title 5, United States Code, or $250, whichever is greater, received from any source other than a relative of the reporting

individual during the preceding calendar year, except that any food, lodging, or entertainment received as personal hospitality of an individual need not be reported, and any gift with a fair market value of $100 or less, as adjusted at the same time and by the same percentage as the minimal value is adjusted, need not be aggregated for purposes of this subparagraph.

(B) The identity of the source and a brief description (including a travel itinerary, dates, and nature of expenses provided) of reimbursements received from any source aggregating more than the minimal value as established by section 7342(a)(5) of title 5, United States Code, or $250, whichever is greater and received during the preceding calendar year.

(C) In an unusual case, a gift need not be aggregated under subparagraph (A) if a publicly available request for a waiver is granted.

(3) The identity and category of value of any interest in property held during the preceding calendar year in a trade or business, or for investment or the production of income, which has a fair market value which exceeds $1,000 as of the close of the preceding calendar year, excluding any personal liability owed to the reporting individual by a spouse,2 or by a parent, brother, sister, or child of the reporting individual or of the reporting individual's spouse, or any deposits aggregating $5,000 or less in a personal savings account. For purposes of this paragraph, a personal savings account shall include any certificate of deposit or any other form of deposit in a bank, savings and loan association, credit union, or similar financial institution.

(4) The identity and category of value of the total liabilities owed to any creditor other than a spouse, or a parent, brother, sister, or child of the reporting individual or of the reporting individual's spouse which exceed $10,000 at any time during the preceding calendar year, excluding–

(A) any mortgage secured by real property which is a personal residence of the reporting individual or his spouse; and

(B) any loan secured by a personal motor vehicle, household furniture, or appliances, which loan does not exceed the purchase price of the item which secures it.

With respect to revolving charge accounts, only those with an outstanding liability which exceeds $10,000 as of the close of the preceding calendar year need be reported under this paragraph.

(5) Except as provided in this paragraph, a brief description, the date, and category of value of any purchase, sale or exchange during the preceding calendar year which exceeds $1,000–

(A) in real property, other than property used solely as a personal residence of the reporting individual or his spouse; or

(B) in stocks, bonds, commodities futures, and other forms of securities.

Reporting is not required under this paragraph of any transaction solely by and between the reporting individual, his spouse, or dependent children.

(6)(A) The identity of all positions held on or before the date of filing during the current calendar year (and, for the first report filed by an individual, during the two-year period preceding such calendar year) as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of any corporation, company, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States. This subparagraph shall not require the reporting of positions held in any religious, social, fraternal, or political entity and positions solely of an honorary nature.

(B) If any person, other than the United States Government, paid a nonelected reporting individual compensation in excess of $5,000 in any of the two calendar years prior to the calendar year during which the individual files his first report under this title, the individual shall include in the report–

(i) the identity of each source of such compensation; and

(ii) a brief description of the nature of the duties performed or services rendered by the reporting individual for each such source.

The preceding sentence shall not require any individual to include in such report any information which is considered confidential as a result of a privileged relationship, established by law, between such individual and any person nor shall it require an individual to report any information with respect to any person for whom services were provided by any firm or association of which such individual was a member, partner, or employee unless such individual was directly involved in the provision of such services.

(7) A description of the date, parties to, and terms of any agreement or arrangement with respect to (A) future employment; (B) a leave of absence during the period of the reporting individual's Government service; (C) continuation of payments by a former employer other than the United States Government; and (D) continuing participation in an employee welfare or benefit plan maintained by a former employer.

(8) The category of the total cash value of any interest of the reporting individual in a qualified blind trust, unless the trust instrument was executed prior to July 24, 1995 and precludes the beneficiary from receiving information on the total cash value of any interest in the qualified blind trust.

(b)(1) Each report filed pursuant to subsections (a), (b), and (c) of section 101 shall include a full and complete statement with respect to the information required by–

(A) paragraph (1) of subsection (a) for the year of filing and the preceding calendar year,

(B) paragraphs (3) and (4) of subsection (a) as of the date specified in the report but which is less than thirty-one days before the filing date, and

(C) paragraphs (6) and (7) of subsection (a) as of the filing date but for periods described in such paragraphs.

(2)(A) In lieu of filling out one or more schedules of a financial disclosure form, an individual may supply the required information in an alternative format, pursuant to either rules adopted by the supervising ethics office for the branch in which such individual serves or pursuant to a specific written determination by such office for a reporting individual.

(B) In lieu of indicating the category of amount or value of any item contained in any report filed under this title, a reporting individual may indicate the exact dollar amount of such item.

(c) In the case of any individual described in section 101(e), any reference to the preceding calendar year shall be considered also to include that part of the calendar year of filing up to the date of the termination of employment.

(d)(1) The categories for reporting the amount or value of the items covered in paragraphs (3), (4), (5), and (8) of subsection (a) are as follows:

(A) not more than $15,000;

(B) greater than $15,000 but not more than $50,000;

(C) greater than $50,000 but not more than $100,000;

(D) greater than $100,000 but not more than $250,000;

(E) greater than $250,000 but not more than $500,000;

(F) greater than $500,000 but not more than $1,000,000;

(G) greater than $1,000,000 but not more than $5,000,000;

(H) greater than $5,000,000 but not more than $25,000,000;

(I) greater than $25,000,000 but not more than $50,000,000; and

(J) greater than $50,000,000.

(2) For the purposes of paragraph (3) of subsection (a) if the current value of an interest in real property (or an interest in a real estate partnership) is not ascertainable without an appraisal, an individual may list (A) the date of purchase and the purchase price of the interest in the real property, or (B) the assessed value of the real property for tax purposes, adjusted to reflect the market value of the property used for the assessment if the assessed value is computed at less than 100 percent of such market value, but such individual shall include in his report a full and complete description of the method used to determine such assessed value, instead of specifying a category of value pursuant to paragraph (1) of this subsection. If the current value of any other item required to be reported under paragraph (3) of subsection (a) is not ascertainable without an appraisal, such individual may list the book value of a corporation whose stock is not publicly traded, the net worth of a business partnership, the equity value of an individually owned business, or with respect to other holdings, any recognized indication of value, but such individual shall include in his report a full and complete description of the method used in determining such value. In lieu of any value referred to in the preceding sentence, an individual may list the assessed value of the item for tax purposes, adjusted to reflect the market value of the item used for the assessment if the assessed value is computed at less than 100 percent of such market value, but a full and complete description of the method used in determining such assessed value shall be included in the report.

(e)(1) Except as provided in the last sentence of this paragraph, each report required by section 101 shall also contain information listed in paragraphs (1) through (5) of subsection (a) of this section respecting the spouse or dependent child of the reporting individual as follows:

(A) The source of items of earned income earned by a spouse from any person which exceed $1,000 and the source and amount of any honoraria received by a spouse, except that, with respect to earned income (other than honoraria), if the spouse is self-employed in business or a profession, only the nature of such business or profession need be reported.

(B) All information required to be reported in subsection (a)(1)(B) with respect to income derived by a spouse or dependent child from any asset held by the spouse or dependent child and reported pursuant to subsection (a)(3).

(C) In the case of any gifts received by a spouse or dependent child which are not received totally independent of the relationship of the spouse or dependent child to the reporting individual, the identity of the source and a brief description of gifts of transportation, lodging, food, or entertainment and a brief description and the value of other gifts.

(D) In the case of any reimbursements received by a spouse or dependent child which are not received totally independent of the relationship of the spouse or dependent child to the reporting individual, the identity of the source and a brief description of each such reimbursement.

(E) In the case of items described in paragraphs (3) through (5) of subsection (a), all information required to be reported under these paragraphs other than items (i) which the reporting individual certifies represent the spouse's or dependent child's sole financial interest or responsibility and which the reporting individual has no knowledge of, (ii) which are not in any way, past or present, derived from the income, assets, or activities of the reporting individual, and (iii) from which the reporting individual neither derives, nor expects to derive, any financial or economic benefit.

(F) For purposes of this section, categories with amounts or values greater than $1,000,000 set forth in sections 102(a)(1)(B) and 102(d)(1) shall apply to the income, assets, or liabilities of spouses and dependent children only if the income, assets, or liabilities are held jointly with the reporting individual. All other income, assets, or liabilities of the spouse or dependent children required to be reported under this section in an amount or value greater than $1,000,000 shall be categorized only as an amount or value greater than $1,000,000.

Reports required by subsections (a), (b), and (c) of section 101 shall, with respect to the spouse and dependent child of the reporting individual, only contain information listed in paragraphs (1), (3), and (4) of subsection (a), as specified in this paragraph.

(2) No report shall be required with respect to a spouse living separate and apart from the reporting individual with the intention of terminating the marriage or providing for permanent separation; or with respect to any income or obligations of an individual arising from the dissolution of his marriage or the permanent separation from his spouse.

(f)(1) Except as provided in paragraph (2), each reporting individual shall report the information required to be reported pursuant to subsections (a), (b), and (c) of this section with respect to the holdings of and the income from a trust or other financial arrangement from which income is received by, or with respect to which a beneficial interest in principal or income is held by, such individual, his spouse, or any dependent child.

(2) A reporting individual need not report the holdings of or the source of income from any of the holdings of–

(A) any qualified blind trust (as defined in paragraph (3));

(B) a trust–

(i) which was not created directly by such individual, his spouse, or any dependent child, and

(ii) the holdings or sources of income of which such individual, his spouse, and any dependent child have no knowledge of; or

(C) an entity described under the provisions of paragraph (8),

but such individual shall report the category of the amount of income received by him, his spouse, or any dependent child from the trust or other entity under subsection (a)(1)(B) of this section.

(3) For purposes of this subsection, the term "qualified blind trust" includes any trust in which a reporting individual, his spouse, or any minor or dependent child has a beneficial interest in the principal or income, and which meets the following requirements:

(A)(i) The trustee of the trust and any other entity designated in the trust instrument to perform fiduciary duties is a financial institution, an attorney, a certified public accountant, a broker, or an investment advisor who–

(I) is independent of and not associated with any interested party so that the trustee or other person cannot be controlled or influenced in the administration of the trust by any interested party; and

(II) is not and has not been an employee of or affiliated with any interested party and is not a partner of, or involved in any joint venture or other investment with, any interested party; and

(III) is not a relative of any interested party.

(ii) Any officer or employee of a trustee or other entity who is involved in the management or control of the trust–

(I) is independent of and not associated with any interested party so that such officer or employee cannot be controlled or influenced in the administration of the trust by any interested party;

(II) is not a partner of, or involved in any joint venture or other investment with, any interested party; and

(III) is not a relative of any interested party.

(B) Any asset transferred to the trust by an interested party is free of any restriction with respect to its transfer or sale unless such restriction is expressly approved by the supervising ethics office of the reporting individual.

(C) The trust instrument which establishes the trust provides that–

(i) except to the extent provided in subparagraph (B) of this paragraph, the trustee in the exercise of his authority and discretion to manage and control the assets of the trust shall not consult or notify any interested party;

(ii) the trust shall not contain any asset the holding of which by an interested party is prohibited by any law or regulation;

(iii) the trustee shall promptly notify the reporting individual and his supervising ethics office when the holdings of any particular asset transferred to the trust by any interested party are disposed of or when the value of such holding is less than $1,000;

(iv) the trust tax return shall be prepared by the trustee or his designee, and such return and any information relating thereto (other than the trust income summarized in appropriate categories necessary to complete an interested party's tax return), shall not be disclosed to any interested party;

(v) an interested party shall not receive any report on the holdings and sources of income of the trust, except a report at the end of each calendar quarter with respect to the total cash value of the interest of the interested party in the trust or the net income or loss of the trust or any reports necessary to enable the interested party to complete an individual tax return required by law or to provide the information required by subsection (a)(1) of this section, but such report shall not identify any asset or holding;

(vi) except for communications which solely consist of requests for distributions of cash or other unspecified assets of the trust, there shall be no direct or indirect communication between the trustee and an interested party with respect to the trust unless such communication is in writing and unless it relates only (I) to the general financial interest and needs of the interested party (including, but not limited to, an interest in maximizing income or long-term capital gain), (II) to the notification of the trustee of a law or regulation subsequently applicable to the reporting individual which prohibits the interested party from holding an asset, which notification directs that the asset not be held by the trust, or (III) to directions to the trustee to sell all of an asset initially placed in the trust by an interested party which in the determination of the reporting individual creates a conflict of interest or the appearance thereof due to the subsequent assumption of duties by the reporting individual (but nothing herein shall require any such direction); and

(vii) the interested parties shall make no effort to obtain information with respect to the holdings of the trust, including obtaining a copy of any trust tax return filed or any information relating thereto except as otherwise provided in this subsection.

(D) The proposed trust instrument and the proposed trustee is approved by the reporting individual's supervising ethics office.

(E) For purposes of this subsection, "interested party" means a reporting individual, his spouse, and any minor or dependent child; "broker" has the meaning set forth in section 3(a)(4) of the Securities and Exchange Act of 1934 (15 U.S.C. 78c(a)(4)); and "investment adviser" includes any investment adviser who, as determined under regulations prescribed by the supervising ethics office, is generally involved in his role as such an adviser in the management or control of trusts.

(F) Any trust qualified by a supervising ethics office before the effective date of title II of the Ethics Reform Act of 1989 shall continue to be governed by the law and regulations in effect immediately before such effective date.

(4)(A) An asset placed in a trust by an interested party shall be considered a financial interest of the reporting individual, for the purposes of any applicable conflict of interest statutes, regulations, or rules of the Federal Government (including section 208 of title 18, United States Code), until such time as the reporting individual is notified by the trustee that such asset has been disposed of, or has a value of less than $1,000.

(B)(i)3 The provisions of subparagraph (A) shall not apply with respect to a trust created for the benefit of a reporting individual, or the spouse, dependent child, or minor child of such a person, if the supervising ethics office for such reporting individual finds that–

(I) the assets placed in the trust consist of a well-diversified portfolio of readily marketable securities;

(II) none of the assets consist of securities of entities having substantial activities in the area of the reporting individual's primary area of responsibility;

(III) the trust instrument prohibits the trustee, notwithstanding the provisions of paragraphs (3)(C)(iii) and (iv) of this subsection, from making public or informing any interested party of the sale of any securities;

(IV) the trustee is given power of attorney, notwithstanding the provisions of paragraph (3)(C)(v) of this subsection, to prepare on behalf of any interested party the personal income tax returns and similar returns which may contain information relating to the trust; and

(V) except as otherwise provided in this paragraph, the trust instrument provides (or in the case of a trust established prior to the effective date of this Act which by its terms does not permit amendment, the trustee, the reporting individual, and any other interested party agree in writing) that the trust shall be administered in accordance with the requirements of this subsection and the trustee of such trust meets the requirements of paragraph (3)(A).

(ii) In any instance covered by subparagraph (B) in which the reporting individual is an individual whose nomination is being considered by a congressional committee, the reporting individual shall inform the congressional committee considering his nomination before or during the period of such individual's confirmation hearing of his intention to comply with this paragraph.

(5)(A) The reporting individual shall, within thirty days after a qualified blind trust is approved by his supervising ethics office, file with such office a copy of–

(i) the executed trust instrument of such trust (other than those provisions which relate to the testamentary disposition of the trust assets), and

(ii) a list of the assets which were transferred to such trust, including the category of value of each asset as determined under subsection (d) of this section.

This subparagraph shall not apply with respect to a trust meeting the requirements for being considered a qualified blind trust under paragraph (7) of this subsection.

(B) The reporting individual shall, within thirty days of transferring an asset (other than cash) to a previously established qualified blind trust, notify his supervising ethics office of the identity of each such asset and the category of value of each asset as determined under subsection (d) of this section.

(C) Within thirty days of the dissolution of a qualified blind trust, a reporting individual shall–

(i) notify his supervising ethics office of such dissolution, and

(ii) file with such office a copy of a list of the assets of the trust at the time of such dissolution and the category of value under subsection (d) of this section of each such asset.

(D) Documents filed under subparagraphs (A), (B), and (C) of this paragraph and the lists provided by the trustee of assets placed in the trust by an interested party which have been sold shall be made available to the public in the same manner as a report is made available under section 105 and the provisions of that section shall apply with respect to such documents and lists.

(E) A copy of each written communication with respect to the trust under paragraph (3)(C)(vi) shall be filed by the person initiating the communication with the reporting individual's supervising ethics office within five days of the date of the communication.

(6)(A) A trustee of a qualified blind trust shall not knowingly and willfully, or negligently, (i) disclose any information to an interested party with respect to such trust that may not be disclosed under paragraph (3) of this subsection; (ii) acquire any holding the ownership of which is prohibited by the trust instrument; (iii) solicit advice from any interested party with respect to such trust, which solicitation is prohibited by paragraph (3) of this subsection or the trust agreement; or (iv) fail to file any document required by this subsection.

(B) A reporting individual shall not knowingly and willfully, or negligently, (i) solicit or receive any information with respect to a qualified blind trust of which he is an interested party that may not be disclosed under paragraph (3)(C) of this subsection or (ii) fail to file any document required by this subsection.

(C)(i) The Attorney General may bring a civil action in any appropriate United States district court against any individual who knowingly and willfully violates the provisions of subparagraph (A) or (B) of this paragraph. The court in which such action is brought may assess against such individual a civil penalty in any amount not to exceed $10,000.

(ii) The Attorney General may bring a civil action in any appropriate United States district court against any individual who negligently violates the provisions of subparagraph (A) or (B) of this paragraph. The court in which such action is brought may assess against such individual a civil penalty in any amount not to exceed $5,000.

(7) Any trust may be considered to be a qualified blind trust if–

(A) the trust instrument is amended to comply with the requirements of paragraph (3) or, in the case of a trust instrument which does not by its terms permit amendment, the trustee, the reporting individual, and any other interested party agree in writing that the trust shall be administered in accordance with the requirements of this subsection and the trustee of such trust meets the requirements of paragraph (3)(A); except that in the case of any interested party who is a dependent child, a parent or guardian of such child may execute the agreement referred to in this subparagraph;

(B) a copy of the trust instrument (except testamentary provisions) and a copy of the agreement referred to in subparagraph (A), and a list of the assets held by the trust at the time of approval by the supervising ethics office, including the category of value of each asset as determined under subsection (d) of this section, are filed with such office and made available to the public as provided under paragraph (5)(D) of this subsection; and

(C) the supervising ethics office determines that approval of the trust arrangement as a qualified blind trust is in the particular case appropriate to assure compliance with applicable laws and regulations.

(8) A reporting individual shall not be required to report the financial interests held by a widely held investment fund (whether such fund is a mutual fund, regulated investment company, pension or deferred compensation plan, or other investment fund), if–

(A)(i) the fund is publicly traded; or

(ii) the assets of the fund are widely diversified; and

(B) the reporting individual neither exercises control over nor has the ability to exercise control over the financial interests held by the fund.

(g) Political campaign funds, including campaign receipts and expenditures, need not be included in any report filed pursuant to this title.

(h) A report filed pursuant to subsection (a), (d), or (e) of section 101 need not contain the information described in subparagraphs (A), (B), and (C) of subsection (a)(2) with respect to gifts and reimbursements received in a period when the reporting individual was not an officer or employee of the Federal Government.

(i) A reporting individual shall not be required under this title to report–

(1) financial interests in or income derived from–

(A) any retirement system under title 5, United States Code (including the Thrift Savings Plan under subchapter III of chapter 84 of such title); or

(B) any other retirement system maintained by the United States for officers or employees of the United States, including the President, or for members of the uniformed services; or

(2) benefits received under the Social Security Act.

Filing of Reports

Sec. 103. (a) Except as otherwise provided in this section, the reports required under this title shall be filed by the reporting individual with the designated agency ethics official at the agency by which he is employed (or in the case of an individual described in section 101(e), was employed) or in which he will serve. The date any report is received (and the date of receipt of any supplemental report) shall be noted on such report by such official.

(b) The President, the Vice President, and independent counsel and persons appointed by independent counsel under chapter 40 of title 28, United States Code, shall file reports required under this title with the Director of the Office of Government Ethics.

(c) Copies of the reports required to be filed under this title by the Postmaster General, the Deputy Postmaster General, the Governors of the Board of Governors of the United States Postal Service, designated agency ethics officials, employees described in section 105(a)(2)(A) or (B), 106(a)(1)(A) or (B), or 107(a)(1)(A) or (b)(1)(A)(i), of title 3, United States Code, candidates for the office of President or Vice President and officers and employees in (and nominees to) offices or positions which require confirmation by the Senate or by both Houses of Congress other than individuals nominated to be judicial officers and those referred to in subsection (f) shall be transmitted to the Director of the Office of Government Ethics. The Director shall forward a copy of the report of each nominee to the congressional committee considering the nomination.

(d) Reports required to be filed under this title by the Director of the Office of Government Ethics shall be filed in the Office of Government Ethics and, immediately after being filed, shall be made available to the public in accordance with this title.

(e) Each individual identified in section 101(c) who is a candidate for nomination or election to the Office of President or Vice President shall file the reports required by this title with the Federal Election Commission.

(f) Reports required of members of the uniformed services shall be filed with the Secretary concerned.

(g) Each supervising ethics office shall develop and make available forms for reporting the information required by this title.

(h)(1) The reports required under this title shall be filed by a reporting individual with–

(A)(i)(I) the Clerk of the House of Representatives, in the case of a Representative in Congress, a Delegate to Congress, the Resident Commissioner from Puerto Rico, an officer or employee of the Congress whose compensation is disbursed by the Clerk of the House of Representatives, an officer or employee of the Architect of the Capitol, the United States Botanic Garden, the Congressional Budget Office, the Government Printing Office, the Library of Congress, or the Copyright Royalty Tribunal (including any individual terminating service, under section 101(e), in any office or position referred to in this subclause), or an individual described in section 101(c) who is a candidate for nomination or election as a Representative in Congress, a Delegate to Congress, or the Resident Commissioner from Puerto Rico; and

(II) the Secretary of the Senate, in the case of a Senator, an officer or employee of the Congress whose compensation is disbursed by the Secretary of the Senate, an officer or employee of the General Accounting Office, the Office of Technology Assessment, or the Office of the Attending Physician (including any individual terminating service, under section 101(e), in any office or position referred to in this subclause), or an individual described in section 101(c) who is a candidate for nomination or election as a Senator; and

(ii) in the case of an officer or employee of the Congress as described under section 101(f)(10) who is employed by an agency or commission established in the legislative branch after the date of the enactment of the Ethics Reform Act of 1989–

(I) the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, as designated in the statute establishing such agency or commission; or

(II) if such statute does not designate such committee, the Secretary of the Senate for agencies and commissions established in even numbered calendar years, and the Clerk of the House of Representatives for agencies and commissions established in odd numbered calendar years; and

(B) the Judicial Conference with regard to a judicial officer or employee described under paragraphs (11) and (12) of section 101(f) (including individuals terminating service in such office or position under section 101(e) or immediately preceding service in such office or position).

(2) The date any report is received (and the date of receipt of any supplemental report) shall be noted on such report by such committee.

(i) A copy of each report filed under this title by a Member or an individual who is a candidate for the office of Member shall be sent by the Clerk of the House of Representatives or Secretary of the Senate, as the case may be, to the appropriate State officer designated under section 316(a) of the Federal Election Campaign Act of 1971 of the State represented by the Member or in which the individual is a candidate, as the case may be, within the 30-day period beginning on the day the report is filed with the Clerk or Secretary.

(j)(1) A copy of each report filed under this title with the Clerk of the House of Representatives shall be sent by the Clerk to the Committee on Standards of Official Conduct of the House of Representatives within the 7-day period beginning on the day the report is filed.

(2) A copy of each report filed under this title with the Secretary of the Senate shall be sent by the Secretary to the Select Committee on Ethics of the Senate within the 7-day period beginning on the day the report is filed.

(k) In carrying out their responsibilities under this title with respect to candidates for office, the Clerk of the House of Representatives and the Secretary of the Senate shall avail themselves of the assistance of the Federal Election Commission. The Commission shall make available to the Clerk and the Secretary on a regular basis a complete list of names and addresses of all candidates registered with the Commission, and shall cooperate and coordinate its candidate information and notification program with the Clerk and the Secretary to the greatest extent possible.

Failure to File or Filing False Reports

Sec. 104. (a) The Attorney General may bring a civil action in any appropriate United States district court against any individual who knowingly and willfully falsifies or who knowingly and willfully fails to file or report any information that such individual is required to report pursuant to section 102. The court in which such action is brought may assess against such individual a civil penalty in any amount, not to exceed $10,000.

(b) The head of each agency, each Secretary concerned, the Director of the Office of Government Ethics, each congressional ethics committee, or the Judicial Conference, as the case may be, shall refer to the Attorney General the name of any individual which such official or committee has reasonable cause to believe has willfully failed to file a report or has willfully falsified or willfully failed to file information required to be reported. Whenever the Judicial Conference refers a name to the Attorney General under this subsection, the Judicial Conference also shall notify the judicial council of the circuit in which the named individual serves of the referral.

(c) The President, the Vice President, the Secretary concerned, the head of each agency, the Office of Personnel Management, a congressional ethics committee, and the Judicial Conference, may take any appropriate personnel or other action in accordance with applicable law or regulation against any individual failing to file a report or falsifying or failing to report information required to be reported.

(d)(1) Any individual who files a report required to be filed under this title more than 30 days after the later of–

(A) the date such report is required to be filed pursuant to the provisions of this title and the rules and regulations promulgated thereunder; or

(B) if a filing extension is granted to such individual under section 101(g), the last day of the filing extension period,

shall, at the direction of and pursuant to regulations issued by the supervising ethics office, pay a filing fee of $200. All such fees shall be deposited in the miscellaneous receipts of the Treasury. The authority under this paragraph to direct the payment of a filing fee may be delegated by the supervising ethics office in the executive branch to other agencies in the executive branch.4

(2) The supervising ethics office may waive the filing fee under this subsection in extraordinary circumstances.

Custody of and Public Access to Reports

Sec. 105. (a) Each agency, each supervising ethics office in the executive or judicial branch, the Clerk of the House of Representatives, and the Secretary of the Senate shall make available to the public, in accordance with subsection (b), each report filed under this title with such agency or office or with the Clerk or the Secretary of the Senate, except that–

(1) this section does not require public availability of a report filed by any individual in the Central Intelligence Agency, the Defense Intelligence Agency, or the National Security Agency, or any individual engaged in intelligence activities in any agency of the United States, if the President finds or has found that, due to the nature of the office or position occupied by such individual, public disclosure of such report would, be5 revealing the identity of the individual or other sensitive information, compromise the national interest of the United States; and such individuals may be authorized, notwithstanding section 104(a), to file such additional reports as are necessary to protect their identity from public disclosure if the President first finds or has found that such filing is necessary in the national interest; and

(2) any report filed by an independent counsel whose identity has not been disclosed by the division of the court under chapter 40 of title 28, United States Code, and any report filed by any person appointed by that independent counsel under such chapter, shall not be made available to the public under this title.

(b)(1) Except as provided in the second sentence of this subsection, each agency, each supervising ethics office in the executive or judicial branch, the Clerk of the House of Representatives, and the Secretary of the Senate shall, within thirty days after any report is received under this title by such agency or office or by the Clerk or the Secretary of the Senate, as the case may be,6 permit inspection of such report by or furnish a copy of such report to any person requesting such inspection or copy. With respect to any report required to be filed by May 15 of any year, such report shall be made available for public inspection within 30 calendar days after May 15 of such year or within 30 days of the date of filing of such a report for which an extension is granted pursuant to section 101(g). The agency, office, Clerk, or Secretary of the Senate, as the case may be7 may require a reasonable fee to be paid in any amount which is found necessary to recover the cost of reproduction or mailing of such report excluding any salary of any employee involved in such reproduction or mailing. A copy of such report may be furnished without charge or at a reduced charge if it is determined that waiver or reduction of the fee is in the public interest.

(2) Notwithstanding paragraph (1), a report may not be made available under this section to any person nor may any copy thereof be provided under this section to any person except upon a written application by such person stating–

(A) that person's name, occupation and address;

(B) the name and address of any other person or organization on whose behalf the inspection or copy is requested; and

(C) that such person is aware of the prohibitions on the obtaining or use of the report.

Any such application shall be made available to the public throughout the period during which the report is made available to the public.

(c)(1) It shall be unlawful for any person to obtain or use a report–

(A) for any unlawful purpose;

(B) for any commercial purpose, other than by news and communications media for dissemination to the general public;

(C) for determining or establishing the credit rating of any individual; or

(D) for use, directly or indirectly, in the solicitation of money for any political, _charitable, orýÿÿÿ,

(2) The Attorney General may bring a civil action against any person who obtains or uses a report for any purpose prohibited in paragraph (1) of this subsection. The court in which such action is brought may assess against such person a penalty in any amount not to exceed $10,000. Such remedy shall be in addition to any other remedy available under statutory or common law.

(d) Any report filed with or transmitted to an agency or supervising ethics office or to the Clerk of the House of Representatives or the Secretary of the Senate pursuant to this title shall be retained by such agency or office or by the Clerk or the Secretary of the Senate, as the case may be. Such report shall be made available to the public for a period of six years after receipt of the report. After such six-year period the report shall be destroyed unless needed in an ongoing investigation, except that in the case of an individual who filed the report pursuant to section 101(b) and was not subsequently confirmed by the Senate, or who filed the report pursuant to section 101(c) and was not subsequently elected, such reports shall be destroyed one year after the individual either is no longer under consideration by the Senate or is no longer a candidate for nomination or election to the Office of President, Vice President, or as a Member of Congress, unless needed in an ongoing investigation.

Review of Reports

Sec. 106. (a)(1) Each designated agency ethics official or Secretary concerned shall make provisions to ensure that each report filed with him under this title is reviewed within sixty days after the date of such filing, except that the Director of the Office of Government Ethics shall review only those reports required to be transmitted to him under this title within sixty days after the date of transmittal.

(2) Each congressional ethics committee and the Judicial Conference shall make provisions to ensure that each report filed under this title is reviewed within sixty days after the date of such filing.

(b)(1) If after reviewing any report under subsection (a), the Director of the Office of Government Ethics, the Secretary concerned, the designated agency ethics official, a person designated by the congressional ethics committee, or a person designated by the Judicial Conference, as the case may be, is of the opinion that on the basis of information contained in such report the individual submitting such report is in compliance with applicable laws and regulations, he shall state such opinion on the report, and shall sign such report.

(2) If the Director of the Office of Government Ethics, the Secretary concerned, the designated agency ethics official, a person designated by the congressional ethics committee, or a person designated by the Judicial Conference, after reviewing any report under subsection (a)–

(A) believes additional information is required to be submitted, he shall notify the individual submitting such report what additional information is required and the time by which it must be submitted, or

(B) is of the opinion, on the basis of information submitted, that the individual is not in compliance with applicable laws and regulations, he shall notify the individual, afford a reasonable opportunity for a written or oral response, and after consideration of such response, reach an opinion as to whether or not, on the basis of information submitted, the individual is in compliance with such laws and regulations.

(3) If the Director of the Office of Government Ethics, the Secretary concerned, the designated agency ethics official, a person designated by a congressional ethics committee, or a person designated by the Judicial Conference, reaches an opinion under paragraph (2)(B) that an individual is not in compliance with applicable laws and regulations, the official or committee shall notify the individual of that opinion and, after an opportunity for personal consultation (if practicable), determine and notify the individual of which steps, if any, would in the opinion of such official or committee be appropriate for assuring compliance with such laws and regulations and the date by which such steps should be taken. Such steps may include, as appropriate–

(A) divestiture,

(B) restitution,

(C) the establishment of a blind trust,

(D) request for an exemption under section 208(b) of title 18, United States Code, or

(E) voluntary request for transfer, reassignment, limitation of duties, or resignation.

The use of any such steps shall be in accordance with such rules or regulations as the supervising ethics office may prescribe.

(4) If steps for assuring compliance with applicable laws and regulations are not taken by the date set under paragraph (3) by an individual in a position in the executive branch (other than in the Foreign Service or the uniformed services), appointment to which requires the advice and consent of the Senate, the matter shall be referred to the President for appropriate action.

(5) If steps for assuring compliance with applicable laws and regulations are not taken by the date set under paragraph (3) by a member of the Foreign Service or the uniformed services, the Secretary concerned shall take appropriate action.

(6) If steps for assuring compliance with applicable laws and regulations are not taken by the date set under paragraph (3) by any other officer or employee, the matter shall be referred to the head of the appropriate agency, the congressional ethics committee, or the Judicial Conference, for appropriate action; except that in the case of the Postmaster General or Deputy Postmaster General, the Director of the Office of Government Ethics shall recommend to the Governors of the Board of Governors of the United States Postal Service the action to be taken.

(7) Each supervising ethics office may render advisory opinions interpreting this title within its respective jurisdiction. Notwithstanding any other provision of law, the individual to whom a public advisory opinion is rendered in accordance with this paragraph, and any other individual covered by this title who is involved in a fact situation which is indistinguishable in all material aspects, and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of such act, be subject to any penalty or sanction provided by this title.

Confidential Reports and Other Additional Requirements

Sec. 107. (a)(1) Each supervising ethics office may require officers and employees under its jurisdiction (including special Government employees as defined in section 202 of title 18, United States Code) to file confidential financial disclosure reports, in such form as the supervising ethics office may prescribe. The information required to be reported under this subsection by the officers and employees of any department or agency shall be set forth in rules or regulations prescribed by the supervising ethics office, and may be less extensive than otherwise required by this title, or more extensive when determined by the supervising ethics office to be necessary and appropriate in light of sections 202 through 209 of title 18, United States Code, regulations promulgated thereunder, or the authorized activities of such officers or employees. Any individual required to file a report pursuant to section 101 shall not be required to file a confidential report pursuant to this subsection, except with respect to information which is more extensive than information otherwise required by this title. Subsections (a), (b), and (d) of section 105 shall not apply with respect to any such report.

(2) Any information required to be provided by an individual under this subsection shall be confidential and shall not be disclosed to the public.

(3) Nothing in this subsection exempts any individual otherwise covered by the requirement to file a public financial disclosure report under this title from such requirement.

(b) The provisions of this title requiring the reporting of information shall supersede any general requirement under any other provision of law or regulation with respect to the reporting of information required for purposes of preventing conflicts of interest or apparent conflicts of interest. Such provisions of this title shall not supersede the requirements of section 7342 of title 5, United States Code.

(c) Nothing in this Act requiring reporting of information shall be deemed to authorize the receipt of income, gifts, or reimbursements; the holding of assets, liabilities, or positions; or the participation in transactions that are prohibited by law, Executive order, rule, or regulation.

Authority of Comptroller General

Sec. 108. (a) The Comptroller General shall have access to financial disclosure reports filed under this title for the purposes of carrying out his statutory responsibilities.

(b) No later than December 31, 1992, and regularly thereafter, the Comptroller General shall conduct a study to determine whether the provisions of this title are being carried out effectively.

Definitions

Sec. 109. For the purposes of this title, the term–

(1) "congressional ethics committees" means the Select Committee on Ethics of the Senate and the Committee on Standards of Official Conduct of the House of Representatives;

(2) "dependent child" means, when used with respect to any reporting individual, any individual who is a son, daughter, stepson, or stepdaughter and who–

(A) is unmarried and under age 21 and is living in the household of such reporting individual; or

(B) is a dependent of such reporting individual within the meaning of section 152 of the Internal Revenue Code of 1986;

(3) "designated agency ethics official" means an officer or employee who is designated to administer the provisions of this title within an agency;

(4) "executive branch" includes each Executive agency (as defined in section 105 of title 5, United States Code), other than the General Accounting Office, and any other entity or administrative unit in the executive branch;

(5) "gift" means a payment, advance, forbearance, rendering, or deposit of money, or any thing of value, unless consideration of equal or greater value is received by the donor, but does not include–

(A) bequest and other forms of inheritance;

(B) suitable mementos of a function honoring the reporting individual;

(C) food, lodging, transportation, and entertainment provided by a foreign government within a foreign country or by the United States Government, the District of Columbia, or a State or local government or political subdivision thereof;

(D) food and beverages which are not consumed in connection with a gift of overnight lodging;

(E) communications to the offices of a reporting individual, including subscriptions to newspapers and periodicals; or

(F) consumable products provided by home-State businesses to the offices of a reporting individual who is an elected official, if those products are intended for consumption by persons other than such reporting individual;

(6) "honoraria" has the meaning given such term in section 505 of this Act;

(7) "income" means all income from whatever source derived, including but not limited to the following items: compensation for services, including fees, commissions, and similar items; gross income derived from business (and net income if the individual elects to include it); gains derived from dealings in property; interest; rents; royalties; dividends; annuities; income from life insurance and endowment contracts; pensions; income from discharge of indebtedness; distributive share of partnership income; and income from an interest in an estate or trust;

(8) "judicial employee" means any employee of the judicial branch of the Government, of the United States Sentencing Commission, of the Tax Court, of the Claims Court, of the Court of Veterans Appeals, or of the United States Court of Military Appeals, who is not a judicial officer and who is authorized to perform adjudicatory functions with respect to proceedings in the judicial branch, or who occupies a position for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS–15 of the General Schedule;

(9) "Judicial Conference" means the Judicial Conference of the United States;

(10) "judicial officer" means the Chief Justice of the United States, the Associate Justices of the Supreme Court, and the judges of the United States courts of appeals, United States district courts, including the district courts in the Guam, the Northern Mariana Islands, and the Virgin Islands, Court of Appeals for the Federal Circuit, Court of International Trade, Tax Court, Claims Court, Court of Veterans Appeals, United States Court of Military Appeals, and any court created by Act of Congress, the judges of which are entitled to hold office during good behavior;

(11) "legislative branch" includes–

(A) the Architect of the Capitol;

(B) the Botanic Gardens;

(C) the Congressional Budget Office;

(D) the General Accounting Office;

(E) the Government Printing Office;

(F) the Library of Congress;

(G) the United States Capitol Police;

(H) the Office of Technology Assessment; and

(I) any other agency, entity, office, or commission established in the legislative branch;

(12) "Member of Congress" means a United States Senator, a Representative in Congress, a Delegate to Congress, or the Resident Commissioner from Puerto Rico;

(13) "officer or employee of the Congress" means–

(A) any individual described under subparagraph (B), other than a Member of Congress or the Vice President, whose compensation is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives;

(B)(i) each officer or employee of the legislative branch who, for at least 60 days, occupies a position for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS–15 of the General Schedule; and

(ii) at least one principal assistant designated for purposes of this paragraph by each Member who does not have an employee who occupies a position for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS–15 of the General Schedule;

(14) "personal hospitality of any individual" means hospitality extended for a nonbusiness purpose by an individual, not a corporation or organization, at the personal residence of that individual or his family or on property or facilities owned by that individual or his family;

(15) "reimbursement" means any payment or other thing of value received by the reporting individual, other than gifts, to cover travel-related expenses of such individual other than those which are–

(A) provided by the United States Government, the District of Columbia, or a State or local government or political subdivision thereof;

(B) required to be reported by the reporting individual under section 7342 of title 5, United States Code; or

(C) required to be reported under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434);

(16) "relative" means an individual who is related to the reporting individual, as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or who is the grandfather or grandmother of the spouse of the reporting individual, and shall be deemed to include the fiancé or fiancée of the reporting individual;

(17) "Secretary concerned" has the meaning set forth in section 101(a)(9) of title 10, United States Code, and, in addition, means–

(A) the Secretary of Commerce, with respect to matters concerning the National Oceanic and Atmospheric Administration;

(B) the Secretary of Health and Human Services, with respect to matters concerning the Public Health Service; and

(C) the Secretary of State, with respect to matters concerning the Foreign Service;

(18) "supervising ethics office" means–

(A) the Select Committee on Ethics of the Senate, for Senators, officers and employees of the Senate, and other officers or employees of the legislative branch required to file financial disclosure reports with the Secretary of the Senate pursuant to section 103(h) of this title;

(B) the Committee on Standards of Official Conduct of the House of Representatives, for Members, officers and employees of the House of Representatives and other officers or employees of the legislative branch required to file financial disclosure reports with the Clerk of the House of Representatives pursuant to section 103(h) of this title;

(C) the Judicial Conference for judicial officers and judicial employees; and

(D) the Office of Government Ethics for all executive branch officers and employees; and

(19) "value" means a good faith estimate of the dollar value if the exact value is neither known nor easily obtainable by the reporting individual.

Notice of Actions Taken to Comply with Ethics Agreements

Sec. 110. (a) In any case in which an individual agrees with that individual's designated agency ethics official, the Office of Government Ethics, a Senate confirmation committee, a congressional ethics committee, or the Judicial Conference, to take any action to comply with this Act or any other law or regulation governing conflicts of interest of, or establishing standards of conduct applicable with respect to, officers or employees of the Government, that individual shall notify in writing the designated agency ethics official, the Office of Government Ethics, the appropriate committee of the Senate, the congressional ethics committee, or the Judicial Conference, as the case may be, of any action taken by the individual pursuant to that agreement. Such notification shall be made not later than the date specified in the agreement by which action by the individual must be taken, or not later than three months after the date of the agreement, if no date for action is so specified.

(b) If an agreement described in subsection (a) requires that the individual recuse himself or herself from particular categories of agency or other official action, the individual shall reduce to writing those subjects regarding which the recusal agreement will apply and the process by which it will be determined whether the individual must recuse himself or herself in a specific instance. An individual shall be considered to have complied with the requirements of subsection (a) with respect to such recusal agreement if such individual files a copy of the document setting forth the information described in the preceding sentence with such individual's designated agency ethics official or the appropriate supervising ethics office within the time prescribed in the last sentence of subsection (a).

Administration of Provisions

Sec. 111. The provisions of this title shall be administered by–

(1) the Director of the Office of Government Ethics, the designated agency ethics official, or the Secretary concerned, as appropriate, with regard to officers and employees described in paragraphs (1) through (8) of section 101(f);

(2) the Select Committee on Ethics of the Senate and the Committee on Standards of Official Conduct of the House of Representatives, as appropriate, with regard to officers and employees described in paragraphs (9) and (10) of section 101(f); and

(3) the Judicial Conference in the case of an officer or employee described in paragraphs (11) and (12) of section 101(f).

The Judicial Conference may delegate any authority it has under this title to an ethics committee established by the Judicial Conference.

1As effective January 1, 1996. 2So in law. Second comma probably should not have been added. See Public Law 101–280, sec. 3(3)(A)(ii), 104 Stat. 152. 3Section 102(f)(4)(B) shall be effective as of January 1, 1990, see Public Law 101–280, sec. 3(10)(B), 104 Stat. 157. 4So in law. See Public Law 101–280, sec. 3(5)(B), 104 Stat. 154. 5So in original. Probably should be "by". See section 3(6) of P.L. 101–280, 104 Stat. 154. 6So in law. The second comma probably should have been stricken. 7So in original. Probably should be followed by a comma.

APPENDIX B

INTERPRETIVE RULING NO. 11

Subject

Designation of principal assistants by Members of the House of Representatives for purposes of filing a Financial Disclosure Statement pursuant to Title I of the Ethics in Government Act (5 U.S.C. app. 6, §§101–111), as amended by the Ethics Reform Act of 1989 (Public Laws 101–194 and 101–280).

Discussion

The Ethics in Government Act applies financial disclosure requirements to each employee of the Legislative Branch who is compensated at or greater than the "above GS–15" rate.2 Such employees must file a Financial Disclosure Statement by May 15 of each year covering the preceding calendar year. Any Member who does not have an employee in his or her congressional office compensated at or greater than the above GS–15 salary level is required to designate at least one principal assistant for purposes of the Act. The principal assistant must be an individual who was employed in the Member's office for more than 60 days in the calendar year covered by the Financial Disclosure Statement.

The purpose of the requirement that a Member designate a principal assistant is to ensure that at least one employee in each Member's office files an annual Financial Disclosure Statement. See House Report No. 95–574, Select Committee on Ethics. However, the Act is ambiguous concerning when a Member's obligation to designate a principal assistant takes effect, when that designation must occur, and if the designation requirement applicable to a Member may subsequently be nullified under certain circumstances, requiring the designation of another individual as principal assistant.

An additional requirement of the Act is that any "covered employee" must file a termination report within 30 days of leaving his or her Government position. Not clear are the circumstances under which a person who is replaced as principal assistant must file a termination report, as well as whether the filing of a termination report can satisfy the annual filing requirement for a Member's office.

While a principal assistant usually will be designated by a Member early in a calendar year for purposes of filing a Financial Disclosure Statement in the succeeding calendar year, an employee who had been required to file may leave the Member's office before the May 15 filing date or prior to having been employed in the Member's office for more than 60 days in a calendar year. Consequently, Members who do not have an employee required to file may designate a principal assistant for the purposes of the statute any time prior to May 15, in order that a Financial Disclosure Statement can be filed by that date. Such an interpretation of the designation requirement ensures that at least one employee in each Member's office will file a disclosure statement in each calendar year. The newly designated person should be an individual who served in the Member's office for more than 60 days in the period covered by the report.

An above GS–15 employee who is employed in a Member's office for more than 60 days in a calendar year is required to file a Financial Disclosure Statement irrespective of whether he or she continues to be paid at or greater than the above GS–15 salary level on May 15. A principal assistant designated by a Member who does not have an above GS–15 employee would be required to file a disclosure statement only if: (1) The individual has been employed in the Member's office for more than 60 days in the preceding calendar year; and (2) The Member does not have an above GS–15 employee required to file a disclosure statement on or before May 15. Thus, a principal assistant not an above GS–15 employee, designated by a Member who subsequently has an above GS–15 employee meeting the statutory requirements, would not be required to file a disclosure statement on or before May 15 of the succeeding calendar year.

An employee not paid at the above GS–15 level who is no longer obligated to file an annual Financial Disclosure Statement as principal assistant (either because there is a qualifying above GS–15 employee or because someone else has been designated) does not have to file a termination report. This is the case whether the individual remains an employee in the same office, moves to a different congressional office, or leaves Government service entirely. As long as the Member designates someone else to file by May 15, the statutory objective is met. The only instance where a termination report is required of a principal assistant not paid at or greater than the GS–15 level is in the case of a Member leaving Congress, where both the Member and the designated employee would be required to file termination reports.

In light of the intent that a Member have at least one employee file on or before May 15, whether an individual compensated at or greater than the GS–15 level or a principal assistant, a termination report cannot be used to satisfy the annual filing requirement. To permit otherwise would mean that the report would be filed by an individual who is no longer employed in the Member's office.

Since the filing of a disclosure statement upon termination cannot be used to satisfy the annual filing requirement of a Member's office, the Member must designate a new principal assistant in the event that the previously designated individual has left his or her employment prior to the May 15 filing. The newly designated individual must have performed his or her duties for more than 60 days in the calendar year covered by the report.

Any employee designated as a principal assistant need not report information with respect to gifts and reimbursements received in a period when the individual was not so designated. This interpretation is consistent with the statutory provision exempting gifts and reimbursements received when the reporting individual was not a government employee, since the individual may not have kept records of such items.

A further issue concerns the application of the designation requirement to Members serving their first term, and the circumstances under which a new employee designated as a principal assistant would be required to file the abbreviated disclosure statement applicable to new employees (FORM B). If a newly elected Member does not hire a new employee compensated at the above GS–15 salary level, there might be no employee of that Member required to file a disclosure statement for a period of almost 17 months. Again, the intent of the statute is that at least one employee in each Member's office file a Financial Disclosure Statement in each calendar year. Accordingly, any Member first taking office on January 3 who does not have an above GS–15 employee should designate a principal assistant to file a disclosure statement by May 15. Any such designated principal assistant should file a Financial Disclosure Statement as a new employee (FORM B), even if that employee previously worked in another congressional office.

Summary Ruling

The purpose of this ruling is to ensure that at least one employee in each Member's office files a disclosure statement by May 15 of each calendar year. The ruling is based on three specific provisions of the Ethics in Government Act: (1) At least one principal assistant must be designated by each Member who does not have an employee compensated at a rate equal to or greater than 120 percent of the minimum rate of GS–15 pay ("above GS–15"); (2) An employee in a position subject to the Act is required to file a Financial Disclosure Statement for the preceding calendar year only if he or she was employed at the above GS–15 rate of pay for more than sixty days during the preceding calendar year; and (3) An above GS–15 employee is required to file a disclosure statement within thirty days after termination of government employment, covering the preceding calendar year if the annual disclosure statement has not been filed, as well as that portion of the calendar year in which the termination occurred up to the date that the employee left the position.

Any Member who does not have an employee required to file a Financial Disclosure Statement on or before May 15 in a calendar year must designate at least one principal assistant to file a disclosure statement by that date. The designation of a principal assistant may occur at any time prior to the May 15 filing date. Any such designated principal assistant must have been employed in the Member's congressional office for more than 60 days in the preceding calendar year and must continue to be so employed when the Financial Disclosure Statement is filed.

A principal assistant who is not an above GS–15 employee does not have to file a termination report if someone else in the Member's office is designated to file in that person's place. The newly designated individual must meet the statutory requirements for filing, including having worked in the Member's office for more than 60 days in the year covered by the report.

An employee designated as a principal assistant in accordance with this ruling by a Member first taking office on January 3 must file the Financial Disclosure Statement required of new employees on or before May 15 of that calendar year.

An employee designated as a principal assistant need not report information with respect to gifts and reimbursements received in a period when the individual was not designated as a principal assistant for purposes of the Act.

1Originally issued by the Committee on December 5, 1979, this Ruling was modified by the Committee on March 6, 1991, to reflect changes made by the Ethics Reform Act of 1989. 2Public Law 101–509 eliminated the GS–16 classification and replaced it with "above GS–15." Public Law 102–378 amended title I of the Ethics in Government Act to change each reference to "GS–16" to "a position for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS–15 of the General Schedule." The term "above GS–15" is used throughout this opinion.

APPENDIX C

Rules of the House of Representatives - 108th Congress

Rule XXV, clause 5

Gifts

5. (a)(1)(A) A Member, Delegate, Resident Commissioner, officer, or employee of the House may not knowingly accept a gift except as provided in this clause. (B) A Member, Delegate, Resident Commissioner, officer, or employee of the House may accept a gift (other than cash or cash equivalent) that the Member, Delegate, Resident Commissioner, officer, or employee reasonably and in good faith believes to have a value of less than $50 and a cumulative value from one source during a calendar year of less than $100. A gift having a value of less than $10 does not count toward the $100 annual limit. The value of perishable food sent to an office shall be allocated among the individual recipients and not to the Member, Delegate, or Resident Commissioner. Formal recordkeeping is not required by this subdivision, but a Member, Delegate, Resident Commissioner, officer, or employee of the House shall make a good faith effort to comply with this subdivision. (2)(A) In this clause the term "gift" means a gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. The term includes gifts of services, training, transportation, lodging, and meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred. (B)(i) A gift to a family member of a Member, Delegate, Resident Commissioner, officer, or employee of the House, or a gift to any other individual based on that individual's relationship with the Member, Delegate, Resident Commissioner, officer, or employee, shall be considered a gift to the Member, Delegate, Resident Commissioner, officer,

or employee if it is given with the knowledge and acquiescence of the Member, Delegate, Resident Commissioner, officer, or employee and the Member, Delegate, Resident Commissioner, officer, or employee has reason to believe the gift was given because of his official position. (ii) If food or refreshment is provided at the same time and place to both a Member, Delegate, Resident Commissioner, officer, or employee of the House and the spouse or dependent thereof, only the food or refreshment provided to the Member, Delegate, Resident Commissioner, officer, or employee shall be treated as a gift for purposes of this clause. (3) The restrictions in subparagraph (1) do not apply to the following: (A) Anything for which the Member, Delegate, Resident Commissioner, officer, or employee of the House pays the market value, or does not use and promptly returns to the donor. (B) A contribution, as defined in section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) that is lawfully made under that Act, a lawful contribution for election to a State or local government office, or attendance at a fundraising event sponsored by a political organization described in section 527(e) of the Internal Revenue Code of 1986. (C) A gift from a relative as described in section 109(16) of title I of the Ethics in Government Act of 1978 (2 U.S.C. App. 109(16)). (D)(i) Anything provided by an individual on the basis of a personal friendship unless the Member, Delegate, Resident Commissioner, officer, or employee of the House has reason to believe that, under the circumstances, the gift was provided because of his official position and not because of the personal friendship. (ii) In determining whether a gift is provided on the basis of personal friendship, the Member, Delegate, Resident Commissioner, officer, or employee of the House shall consider the circumstances under which the gift was offered, such as: (I) The history of his relationship with the individual giving the gift, including any previous exchange of gifts between them. (II) Whether to his actual knowledge the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift. (III) Whether to his actual knowledge the individual who gave the gift also gave the same or similar gifts to other Members, Delegates, the Resident Commissioners, officers, or employees of the House. (E) Except as provided in paragraph (c)(3), a contribution or other payment to a legal expense fund established for the benefit of a Member, Delegate, Resident Commissioner, officer, or employee of the House that is otherwise lawfully made in accordance with the restrictions and disclosure requirements of the Committee on Standards of Official Conduct. (F) A gift from another Member, Delegate, Resident Commissioner, officer, or employee of the House or Senate. (G) Food, refreshments, lodging, transportation, and other benefits_ (i) resulting from the outside business or employment activities of the Member, Delegate, Resident Commissioner, officer, or employee of the House (or other outside activities that are not connected to his duties as an officeholder), or of his spouse, if such benefits have not been offered or enhanced because of his official position and are customarily provided to others in similar circumstances; (ii) customarily provided by a prospective employer in connection with bona fide employment discussions; or (iii) provided by a political organization described in section 527(e) of the Internal Revenue Code of 1986 in connection with a fundraising or campaign event sponsored by such organization. (H) Pension and other benefits resulting from continued participation in an employee welfare and benefits plan maintained by a former employer. (I) Informational materials that are sent to the office of the Member, Delegate, Resident Commissioner, officer, or employee of the House in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication. (J) Awards or prizes that are given to competitors in contests or events open to the public, including random drawings. (K) Honorary degrees (and associated travel, food, refreshments, and entertainment) and other bona fide, nonmonetary awards presented in recognition of public

service (and associated food, refreshments, and entertainment provided in the presentation of such degrees and awards). (L) Training (including food and refreshments furnished to all attendees as an integral part of the training) if such training is in the interest of the House. (M) Bequests, inheritances, and other transfers at death. (N) An item, the receipt of which is authorized by the Foreign Gifts and Decorations Act, the Mutual Educational and Cultural Exchange Act, or any other statute. (O) Anything that is paid for by the Federal Government, by a State or local government, or secured by the Government under a Government contract. (P) A gift of personal hospitality (as defined in section 109(14) of the Ethics in Government Act) of an individual other than a registered lobbyist or agent of a foreign principal. (Q) Free attendance at a widely attended event permitted under subparagraph (4). (R) Opportunities and benefits that are_ (i) available to the public or to a class consisting of all Federal employees, whether or not restricted on the basis of geographic consideration; (ii) offered to members of a group or class in which membership is unrelated to congressional employment; (iii) offered to members of an organization, such as an employees' association or congressional credit union, in which membership is related to congressional employment and similar opportunities are available to large segments of the public through organizations of similar size; (iv) offered to a group or class that is not defined in a manner that specifically discriminates among Government employees on the basis of branch of Government or type of responsibility, or on a basis that favors those of higher rank or rate of pay; (v) in the form of loans from banks and other financial institutions on terms generally available to the public; or (vi) in the form of reduced membership or other fees for participation in organization activities offered to all Government employees by professional organizations if the only restrictions on membership relate to professional qualifications. (S) A plaque, trophy, or other item that is substantially commemorative in nature and that is intended for presentation. (T) Anything for which, in an unusual case, a waiver is granted by the Committee on Standards of Official Conduct. (U) Food or refreshments of a nominal value offered other than as a part of a meal. (V) Donations of products from the district or State that the Member, Delegate, or Resident Commissioner represents that are intended primarily for promotional purposes, such as display or free distribution, and are of minimal value to any single recipient. (W) An item of nominal value such as a greeting card, baseball cap, or a T-shirt. (4)(A) A Member, Delegate, Resident Commissioner, officer, or employee of the House may accept an offer of free attendance at a widely attended convention, conference, symposium, forum, panel discussion, dinner, viewing, reception, or similar event, provided by the sponsor of the event, if_ (i) the Member, Delegate, Resident Commissioner, officer, or employee of the House participates in the event as a speaker or a panel participant, by presenting information related to Congress or matters before Congress, or by performing a ceremonial function appropriate to his official position; or (ii) attendance at the event is appropriate to the performance of the official duties or representative function of the Member, Delegate, Resident Commissioner, officer, or employee of the House. (B) A Member, Delegate, Resident Commissioner, officer, or employee of the House who attends an event described in subdivision (A) may accept a sponsor's unsolicited offer of free attendance at the event for an accompanying individual. (C) A Member, Delegate, Resident Commissioner, officer, or employee of the House, or the spouse or dependent thereof, may accept a sponsor's unsolicited offer of free attendance at a charity event, except that reimbursement for transportation and lodging may not be accepted in connection with the event unless

(i) all of the net proceeds of the event are for the benefit of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;

(ii) reimbursement for the transportation and lodging in connection with the event is paid by such organization; and

(iii) the offer of free attendance at the event is made by such organization. (D) In this paragraph the term "free attendance" may include waiver of all or part of a conference or other fee, the provision of local transportation, or the provision of food, refreshments, entertainment, and instructional materials furnished to all attendees as an integral part of the event. The term does not include entertainment collateral to the event, nor does it include food or refreshments taken other than in a group setting with all or substantially all other attendees. (5) A Member, Delegate, Resident Commissioner, officer, or employee of the House may not accept a gift the value of which exceeds $250 on the basis of the personal friendship exception in subparagraph (3)(D) unless the Committee on Standards of Official Conduct issues a written determination that such exception applies. A determination under this subparagraph is not required for gifts given on the basis of the family relationship exception in subparagraph (3)(C). (6) When it is not practicable to return a tangible item because it is perishable, the item may, at the discretion of the recipient, be given to an appropriate charity or destroyed. (b)(1)(A) A reimbursement (including payment in kind) to a Member, Delegate, Resident Commissioner, officer, or employee of the House from a private source other than a registered lobbyist or agent of a foreign principal for necessary transportation, lodging, and related expenses for travel to a meeting, speaking engagement, factfinding trip, or similar event in connection with his duties as an officeholder shall be considered as a reimbursement to the House and not a gift prohibited by this clause, if the Member, Delegate, Resident Commissioner, officer, or employee_ (i) in the case of an employee, receives advance authorization, from the Member, Delegate, Resident Commissioner, or officer under whose direct supervision the employee works, to accept reimbursement; and (ii) discloses the expenses reimbursed or to be reimbursed and the authorization to the Clerk within 30 days after the travel is completed. (B) For purposes of subdivision (A), events, the activities of which are substantially recreational in nature, are not considered to be in connection with the duties of a Member, Delegate, Resident Commissioner, officer, or employee of the House as an officeholder. (2) Each advance authorization to accept reimbursement shall be signed by the Member, Delegate, Resident Commissioner, or officer of the House under whose direct supervision the employee works and shall include_ (A) the name of the employee; (B) the name of the person who will make the reimbursement; (C) the time, place, and purpose of the travel; and (D) a determination that the travel is in connection with the duties of the employee as an officeholder and would not create the appearance that the employee is using public office for private gain. (3) Each disclosure made under subparagraph (1)(A) of expenses reimbursed or to be reimbursed shall be signed by the Member, Delegate, Resident Commissioner, or officer (in the case of travel by that Member, Delegate, Resident Commissioner, or officer) or by the Member, Delegate, Resident Commissioner, or officer under whose direct supervision the employee works (in the case of travel by an employee) and shall include_ (A) a good faith estimate of total transportation expenses reimbursed or to be reimbursed; (B) a good faith estimate of total lodging expenses reimbursed or to be reimbursed; (C) a good faith estimate of total meal expenses reimbursed or to be reimbursed; (D) a good faith estimate of the total of other expenses reimbursed or to be reimbursed; (E) a

determination that all such expenses are necessary transportation, lodging, and related expenses as defined in subparagraph (4); and (F) in the case of a reimbursement to a Member, Delegate, Resident Commissioner, or officer, a determination that the travel was in connection with his duties as an officeholder and would not create the appearance that the Member, Delegate, Resident Commissioner, or officer is using public office for private gain. (4) In this paragraph the term "necessary transportation, lodging, and related expenses"_ (A) includes reasonable expenses that are necessary for travel for a period not exceeding four days within the United States or seven days exclusive of travel time outside of the United States unless approved in advance by the Committee on Standards of Official Conduct; (B) is limited to reasonable expenditures for transportation, lodging, conference fees and materials, and food and refreshments, including reimbursement for necessary transportation, whether or not such transportation occurs within the periods described in subdivision (A); (C) does not include expenditures for recreational activities, nor does it include entertainment other than that provided to all attendees as an integral part of the event, except for activities or entertainment otherwise permissible under this clause; and (D) may include travel expenses incurred on behalf of either the spouse or a child of the Member, Delegate, Resident Commissioner, officer, or employee. (5) The Clerk shall make available to the public all advance authorizations and disclosures of reimbursement filed under subparagraph (1) as soon as possible after they are received. (c) A gift prohibited by paragraph (a)(1) includes the following: (1) Anything provided by a registered lobbyist or an agent of a foreign principal to an entity that is maintained or controlled by a Member, Delegate, Resident Commissioner, officer, or employee of the House. (2) A charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1986) made by a registered lobbyist or an agent of a foreign principal on the basis of a designation, recommendation, or other specification of a Member, Delegate, Resident Commissioner, officer, or employee of the House (not including a mass mailing or other solicitation directed to a broad category of persons or entities), other than a charitable contribution permitted by paragraph (d). (3) A contribution or other payment by a registered lobbyist or an agent of a foreign principal to a legal expense fund established for the benefit of a Member, Delegate, Resident Commissioner, officer, or employee of the House. (4) A financial contribution or expenditure made by a registered lobbyist or an agent of a foreign principal relating to a conference, retreat, or similar event, sponsored by or affiliated with an official congressional organization, for or on behalf of Members, Delegates, the Resident Commissioner, officers, or employees of the House. (d)(1) A charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1986) made by a registered lobbyist or an agent of a foreign principal in lieu of an honorarium to a Member, Delegate, Resident Commissioner, officer, or employee of the House are not considered a gift under this clause if it is reported as provided in subparagraph (2). (2) A Member, Delegate, Resident Commissioner, officer, or employee who designates or recommends a contribution to a charitable organization in lieu of an honorarium described in subparagraph (1) shall report within 30 days after such designation or recommendation to the Clerk_ (A) the name and address of the registered lobbyist who is making the contribution in lieu of an honorarium; (B) the date and amount of the contribution; and (C) the name and address of the charitable organization designated or recommended by the Member, Delegate, or Resident Commissioner. The Clerk shall make public information received under this subparagraph as soon as possible after it is received. (e) In this clause_ (1) the term "registered lobbyist" means a lobbyist registered under the Federal Regulation of Lobbying Act or any successor statute; (2) the term "agent of a foreign principal" means an agent of a foreign principal registered under the Foreign Agents Registration Act; and

(3) the terms "officer" and "employee" have the same meanings as in Rule XXIII. (f) All the provisions of this clause shall be interpreted and enforced solely by the Committee on Standards of Official Conduct. The Committee on Standards of Official Conduct is authorized to issue guidance on any matter contained in this clause.

*****

Additional Statutory Reference

Rule XXIII, clause 14

14(a) In this Code of Official Conduct, the Term "officer or employee of the House" means an individual whose compensation is disbursed by the Chief Administrative Officer.

APPENDIX D

_____

VALUATION OF GIFTS OF TRANSPORTATION ON PRIVATE AIRCRAFT

Reprinted from the Committee on Standards of Official Conduct Gifts & Travel Booklet, April 2001

USE OF A PRIVATE AIRCRAFT FOR TRAVEL

At times Members or staff are offered the use of, or wish to use, a private aircraft for travel. Whether it would be permissible to use a private aircraft for a particular trip will depend on a number of circumstances, including the type of travel involved. The major considerations on use of a private aircraft, according to the type of travel, are as follows.

Officially Connected Travel Paid for by a Private Source. In participating in officially connected travel that is paid for by a private source, a Member, officer or employee may accept a flight on a private aircraft that is provided by the sponsor of the trip.1[1] Thus, for example, where a corporation is the sponsor of a trip, a flight on an aircraft owned or leased by the corporation would be permissible. A flight on a private aircraft that is owned or leased by someone else would also be permissible, provided that the flight was entirely arranged by the trip sponsor. Acceptance of a free flight on a private aircraft for such travel in any other

circumstances would be impermissible.

Example 1. An industry association invites a Member to attend its annual dinner in New York . A corporate official in Washington who will be attending the dinner using his corporation's jet invites the Member to fly with him to the event without charge. The Member may not accept a free flight on the corporate jet.

Where a flight on a private aircraft is provided by the sponsor of a trip, the Member, officer or employee should disclose the value of the flight on his or her travel disclosure form in accordance with the valuation policy set forth below.

Travel Resulting from Outside Business, Employment or Other Activities. In participating in travel resulting from outside business, employment or other activities, a Member, officer or employee may accept a flight on a private aircraft provided by the business or other entity with which the individual is involved, if two conditions are satisfied: (1) the private aircraft was not provided because of the individual's official position, and (2) such travel is customarily provided to others in similar circumstances.

1[1]For further information on this point, see also the discussion on pages 75-76 *[in the Gifts and Travel Booklet*], regarding the proper source of expenses for officially connected travel.

Travel Provided on the Basis of Personal Friendship. At times a Member, officer or employee is offered a flight on an aircraft that is personally owned by an individual whom the official knows. If the requirements of the personal friendship provision of the gift rule are satisfied, the offer may be accepted. Those requirements are detailed on pp. 20-21 of the gift chapter, and p. 85 of this chapter *[in the Gifts and Travel Booklet*]. Several points to bear in mind regarding this type of travel are as follows:

· As a general matter, the personal friendship provision can apply only if the aircraft is owned by the individual, and cannot apply to a flight on an aircraft owned by a corporation or other entity.

· Where the value of a gift proposed to be accepted under the personal friendship provision exceeds $250, written approval of the Standards Committee is required before the gift can be accepted. Practically any flight on a private aircraft will exceed $250 in value and hence will require Committee approval.

· Gifts received by a Member, officer or senior employee that exceed $260 *($285 in 2002)* in a calendar year – including flights on a private aircraft – must be reported on the

individual's annual Financial Disclosure Statement, unless the Standards Committee grants a waiver of the reporting requirement.

· A flight may not be accepted on the basis of personal friendship where the primary purpose of the trip is either to conduct House business or to engage in campaign activity.

Travel for which Market Value Is Paid. Under the gift rule, a Member, officer or employee may accept a flight on a private aircraft for which he or she pays the market value. The manner in which such a flight is valued for purposes of the gift rule is set forth below.

However, the Standards Committee understands that individuals, corporations and other entities that own private aircraft rarely have the ability, under their certification from the Federal Aviation Administration, to accept such compensation for the carriage of passengers, except with regard to campaign travel. Thus before accepting a flight that is to be paid for with personal funds (or with official funds), a Member, officer or employee should ensure that the aircraft owner may lawfully accept payment in the prescribed amount.

Travel Paid for by the Federal Government, or by State or Local Government. A flight on a private aircraft that is paid for by the Federal Government, or by a state or local government, may be accepted. Likewise, a flight on an aircraft owned by a governmental entity may be accepted.

Travel Paid for by a Foreign Government. A flight on a private aircraft that is paid for by a foreign government may be accepted, provided that the flight complies with the requirements of either the Foreign Gifts and Decorations Act (FGDA) or the Mutual Educational and Cultural Exchange Act (MECEA). The requirements of those statutes, including that travel paid for under the FGDA must take place totally outside the United States, are explained above (on pp. 86-90).

Travel Paid for by a Political Organization. Rules on the use of corporate or labor organization aircraft for campaign travel are set out in the regulations of the Federal Election Committee at 11 C.F.R. § 114.9(e). Briefly stated, those rules require advance reimbursement of the corporation or union that owns the aircraft at rates set forth in the regulations. However, the use of an aircraft owned by an individual, rather than a corporation or union, for campaign travel is governed by a different set of FEC rules. The FEC should be consulted for guidance on these rules.

Official Travel. The rules issued by the House Administration Committee for both Members and committees include provisions for payment for flights on chartered aircraft and on corporate, business or privately owned aircraft. However, as noted above, the Standards Committee understands that individuals, corporations and other entities that own private aircraft rarely have the ability, under their certification from the Federal Aviation Administration, to accept such payment for the carriage of passengers. Thus before accepting a flight that is to be paid for with official funds, a Member, officer or employee should ensure that the aircraft owner has the ability to accept payment in the amount prescribed by the House Administration rules.

Otherwise, the Standards Committee understands that if an employee of a Member personally owns an airplane, the employee may fly the Member on official business and receive per-mile reimbursement from the Member's Representational Allowance under rules issued by the House Administration Committee. Questions on this matter should be directed to the House Administration Committee.

Valuation of a Flight on a Private Aircraft. When a Member or staff person uses a private aircraft for either a political or an official purpose, reimbursement must be made at the rates and under the rules prescribed by, respectively, the Federal Election Commission or the House Administration Committee.

Otherwise, for purposes of the gift rule, flights on private aircraft have heretofore been valued according to a policy statement that the Committee issued in 1987. Under that policy, most such flights were valued at the cost of a first-class ticket from the point of departure to the destination. The Committee has revised this policy to accord a higher value – *i.e.*, the cost of a charter – to any flight that was scheduled specifically for the use of the Member, officer or employee. The rules of the House Administration Committee likewise require reimbursement at this higher rate where such a flight is taken for an official purpose. Thus this change brings the Standards Committee policy into harmony with the House Administration Committee rule on this point.

Accordingly, flights on a private aircraft are hereafter to be valued as follows:

When the travel is via a previously or regularly scheduled flight by the owner or operator of the aircraft, and the cities between which the Member or staff person is flying have regularly scheduled air service (regardless of whether such service is direct), then the value of the use of the aircraft is the cost of a first-class ticket from the point of departure to the destination. If only coach rates are provided between those points, the value is the coach rate. If more than one first-class or coach rate is available, the lowest fare will be used. However, no discount fares, such as "supersaver" fares, will be used for valuation purposes.

When the flight is scheduled specifically for Member or staff person use, or when either the point of origin or destination does not have regularly scheduled air service, then the value of the use of the aircraft is the cost of chartering the same or a similar aircraft for that flight.

APPENDIX E

Policy Regarding Amendments to Financial Disclosure Statements
Committee on Standards of Official Conduct Memorandum, April 23, 19861
U.S. House of Representatives,
Committee on Standards of Official Conduct,
Washington, DC.

To: All Members, Officers, and Employees of the U.S. House of Representatives. From: Committee on Standards of Official Conduct. Subject: Revised Policy Regarding Amendments to Financial Disclosure Statements. Date: April 23, 1986. The purpose of this letter is to inform all Members, officers, and employees who are required to file Financial Disclosure (FD) Statements pursuant to Title I of the Ethics in Government Act (EIGA) of 1978, as amended, 5 U.S.C. Appendix 4, §101, *et seq*., whose filings are under the jurisdiction of this Committee, of a revison to this Committee's policy regarding the submission of amendments to earlier filed disclosure statements. The new policy, discussed below, will be implemented immediately and all future statements as well as the amendments thereto will be handled in accordance therewith.

To date, it has been the general policy of this Committee to accept amended FD Statements from all filers and consider such amendments to have been timely filed without regard to the duration of time between the date of the original filing and the amendment submitted thereto. Over time, this practice has resulted in the Committee having received a significant number of amendments to disclosure statements under circumstances not necessarily reflecting adequate justification or explanation that the amendment was necessary to clarify previously disclosed information or that a disclosure was omitted due either to unavailability of information or inadvertence. Moreover, and particularly in the case of an individual whose conduct (having EIGA implications) is under review, the Committee has been faced with the somewhat inconsistent tasks of identifying deficiencies in earlier FD Statements while simultaneously

accepting amendments to such statements that may well have been intended to have a mitigating or even exculpating effect. Quite clearly, both time and experience have established the need to make some adjustments to the financial disclosure process in order to alleviate such perceived problems and create a more logical and predictable environment for filers to meet their statutory obligation under EIGA and the parallel responsibility of this Committee to implement that law. It is in this context that a new policy for accepting and considering amended disclosure statements is being implemented.

To begin, effective immediately, an amendment to an earlier FD Statement will be considered timely filed if it is submitted by no later than the close of the year in which the original filing so affected was proffered. There will be, however, a further caveat to this "close-of-year" approach. Specifically, an amendment will not be considered to be timely if the submission thereof is clearly intended to "paper over" an earlier mis/non-filing or there is no showing that such amendment was occasioned by either the prior unavailability of information or the inadvertent omission thereof. Thus, for example, so long as a filer wishes to amend within the appropriate period of prescribed "timeliness" and such amendments are not submitted as a result of, or in connection with, action by this Committee that may have the effect of discrediting the quality of the initial filing(s), then such amendments will be deemed to be presumptively good faith revisions to the filings. In essence, the amendment, *per se* , should be submitted only as a result of the need to either clarify an earlier filing or to disclose information not known (or inadvertently omitted) at the time the original FD was submitted. In sum, the Committee will adopt a two-pronged test for determining whether an amendment is considered to be filed with a presumption of good faith: First, whether it is submitted within the appropriate amendment period (close-of-year); and second, a "circumstance" test addressing why the amendment is justified. In this latter regard, filers will be expected to submit with the amendment a brief statement on why the earlier FD is being revised. Thus, amendments meeting the two-pronged test will be accorded a rebuttable presumption of good faith and this Committee will have the burden to overcome such a presumption. Conversely, any amendment not satisfying both of the above-stated criteria will not be accorded the rebuttable presumption of good faith. In such a case, the burden will be on the filer to establish such a presumption.

The Committee is well aware that disclosure statements filed in years past may be in need of revision. To this end, the Committee has determined that a grace period ending at the close of calendar year 1986 will be granted during which time all filers may amend any previously submitted FD Statements. Again, while an amendment may be timely from the standpoint of when is is submitted–i.e., within the current year–information regarding the need for and, hence, appropriateness of the amendment will also be considered *vis-a-vis* the rebuttable presumption of good faith.

In sum, the effect of the new policy is to establish a practice of receiving and anticipating that FD Statements and amendments thereto will be submitted within the same calendar year and that departures based on either timeliness or circumstances can be readily identified for scrutiny and possible Committee action. As noted, implementation of the new policy will effect not only statements filed this year but also all statements filed in prior years in light of the grace period being adopted.

Should you have a question regarding this matter, please feel free to contact the Committee staff at (202) 225–7103.

1References have been updated to reflect changes made by the Ethics Reform Act of 1989.