

U. S. OFFICE OF GOVERNMENT ETHICS
SUPPORTING STATEMENT FOR THE OGE FORM 278E
EXECUTIVE BRANCH PERSONNEL PUBLIC FINANCIAL DISCLOSURE REPORT
FEBRUARY 2017

A. Justification

1.-2. Explain the circumstances that make the collection of information necessary. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The primary use of the information on the OGE Form 278e is for review by Government officials to determine compliance with applicable Federal conflict of interest laws and regulations by individuals who are required to file public financial disclosure forms to report their financial interests. The authority for collection of the information on the OGE Form 278e is Title I of the Ethics in Government Act of 1978, as amended, 5 U.S.C. app. § 101 et seq., as amended by the Stop Trading on Congressional Knowledge Act of 2012 (Pub. L. 112-105) (STOCK Act), and OGE's implementing financial disclosure regulations at 5 C.F.R. part 2634, subpart B, which require publicly available financial disclosure reports to be filed by certain officers and high-level employees in the executive branch. As the supervising ethics office for the executive branch, OGE is the sponsoring agency for the OGE Form 278e Executive Branch Personnel Public Financial Disclosure Report. The 278e form constitutes the format prescribed by OGE for such public financial disclosure in the executive branch.

OGE is submitting a modified OGE Form 278e confidential financial disclosure form package for review and approval of a three-year extension by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (control number 3209-0001). OGE proposes to make minor modifications to the OGE Form 278e to update the Privacy Act statement, improve the instructions, and make the form more user-friendly. Specifically, OGE proposes to change the titles to Part 2 and Part 5 on all versions of the form. With respect to the Integrity version of the form, OGE proposes to remove the "Owner" column from Part 5 and Part 8. Finally, with respect to the Excel/PDF version of the form, OGE proposes to clarify the reporting requirements in the instructions to Part 4 and to correct several minor typographical errors.

Every three years, OGE issues final rule amendments that revise the executive branch financial disclosure regulation to increase the aggregation and exception thresholds for reporting of gifts, reimbursements and travel expenses for the public and confidential report systems. (See 5 U.S.C. app. §§102(a)(2)(A) & (B)). OGE's threshold adjustments are tied to the "minimal value" threshold of the Foreign Gifts and Decorations Act, as determined by GSA under 5 U.S.C. 7342. Effective January 1, 2017, GSA raised the "minimal value" threshold under 5 U.S.C. 7342 to \$390 for the three-year period 2017-2019. In the next few months, OGE plans to revise its financial disclosure

regulation and the OGE Form 278e to reflect the increase in the thresholds for the reporting of gifts and travel reimbursements received from any one source to "more than \$390" for the aggregation level for reporting and to "\$156 or less" for the de minimis aggregation exception threshold. OGE requests permission to adjust those thresholds on the form without any further paperwork clearance from OMB. Instead, OGE would notify OMB and provide it with a copy of the updated form when the threshold values are adjusted. At that time, OGE would also notify the executive branch departments and agencies and ask them to notify their filers of the threshold adjustments.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

In 2014, OGE sought and received approval to incorporate the OGE Form 278e into its new *Integrity* e-filing application. When used, the application automatically renders information submitted by the filer in the format of an OGE Form 278e. *Integrity* is available to authorized public filers at <http://www.integrity.gov> and has been in use since January 1, 2015. OGE now requires all public filers to use a version of the OGE Form 278e, either via an electronic filing system or a paper version, rather than the old OGE Form 278. The paper version of the OGE Form 278e is available through the Forms Library section of OGE's Web site at www.oge.gov. This site provides two different electronic, fillable forms options (PDF and Excel) for preparing the OGE Form 278e, which also serve as downloadable blank forms.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in item 2 above.

Not applicable. The OGE Form 278e (either paper or electronic rendering) is the only executive branchwide form used for employee public financial disclosure reports.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

Not applicable. This collection of information does not involve small businesses or other small entities.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing the burden.

Not applicable. The collection, including its frequency, is required by title I of the Ethics in Government Act, as amended, and OGE's implementing regulations.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- Requiring respondents to report information to the agency more often than quarterly;
- Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- Requiring respondents to submit more than an original and two copies of any document;
- Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than 3 years;
- In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
- That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or that unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- Requiring respondents to submit proprietary trade secrets or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

No such special circumstances exist.

8. If applicable, provide a copy and identify the date and page number of publication in the *Federal Register* of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB.

OGE published a first round *Federal Register* notice of its intent to request paperwork clearance for a modified form on October 17, 2016. See 81 FR 71503. OGE received two responses to that notice, one of which did not actually address the information collection. The other response suggested that the form require additional information and opposes the changes on the grounds that they would “streamline” the form and reduce transparency. OGE declined to adopt these recommendations. The information required on the form is dictated by the Ethics in Government Act, as amended, and OGE’s implementing regulations. With regard to the changes made to the form, OGE believes that they make the form more user-friendly and clear and therefore improve, not impede, transparency.

OGE published a second round *Federal Register* notice on January 24, 2017. See 82 FR 8190. OGE received two comments in response to the second notice, neither of which specifically addressed the information collection.

OGE continually seeks comments from persons outside the agency concerning the impact of its information collection instruments upon filers and agency ethics programs.

OGE provides opportunities for comment at ethics symposia and other events. OGE routinely alerts professionals in the ethics community to recently published OGE *Federal Register* paperwork notices via the Ethics News and Information listserv, various social media applications, and Advisory Memoranda sent to designated agency ethics officers. Visitors to the OGE Website are provided the opportunity to contact OGE with comments or suggestions. In addition, OGE has remained open to any suggestions for improvement received in the course of public comment on the first and second round paperwork notices published in the *Federal Register*. Any ongoing comments received by OGE as a result of these various means of availability will be considered by OGE for the next paperwork renewal cycle in three years.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

Not applicable. Respondents receive no payments or gifts.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

There is no assurance of confidentiality to the filers of this financial disclosure report form. The proposed OGE FORM 278e is a public financial disclosure form, available to the public for a six-year period upon the submission of a proper Ethics in Government Act access request form (OGE Form 201) in compliance with the provisions of section 105 of the act and OGE's implementing regulations at 5 C.F.R. § 2634.603.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

All of the information required on this report form and in the underlying regulation is specified by current law for financial disclosure reporting by filing individuals and conflict of interest review by executive branch departments and agencies.

12. Provide estimates of the hour burden of the collection of information.

OGE estimates that an average of approximately 4,884 OGE Form 278e reports will be filed each year for the next three years by private citizen filers. This number was calculated based on an average of OGE's annual agency ethics program questionnaire responses for 2014 and 2015, which indicated an average total of 25,238 public financial disclosure reports filed in 2015. Of these reports, OGE estimates that 14.2 percent, or approximately 3,584, were filed by private citizen filers. (Private citizen filers are potential incoming employees or appointees whose positions are designated for public financial disclosure reporting.) From experience, OGE expects an increase in reports filed during and immediately after a change in administration. In 2008, the last full Presidential transition, OGE estimated an increase of 1,300 reports during the transition period. Accordingly, OGE added the estimated number of annual private citizen filers

(3,584) and the estimated increase of reports during the Presidential transition period (1,300) to conclude that approximately 4,884 public financial disclosure reports will be filed each year for the next three years by private citizen filers.

Each form is estimated to take an average of three hours to complete. This yields an annual reporting burden for private citizen filers of 14,652 burden hours. The estimated annualized hour burden cost to private citizen respondents is \$1,010,988. This estimate is based on the average annual number of private citizen filers multiplied by an average filer wage rate of \$69 per hour (equal to a GS-14/4, fully loaded).

13. Provide an estimate for the total annual cost burden to respondents or record-keepers resulting from the collection of information.

For the OGE Form 278e, OGE estimates annual burden hours and annual burden hours cost, not annual cost burden to the respondents.

14.-15. Provide estimates of annualized costs to the Federal Government. Explain the reasons for any program changes or adjustments reported on the burden worksheet.

OGE reported in the previous reporting period that the estimated total annual cost of the OGE Form 278 to the Federal Government was \$23,000,000. The largest contributing factor in this cost computation is the wages of agency ethics officials and OGE staff to implement the OGE Form 278e. OGE calculated a new rate based on the average of inflation since the last calculation (3%), an estimated 8.7% increase in reports over the next three years as a result of the Presidential transition period, and the total estimated cost of running the *Integrity* system over the next three years (\$8,871,000). Accordingly, OGE estimates a total annual cost of the OGE Form 278e to the Federal Government over the next three years will be \$28,708,049. OGE believes that the implementation of *Integrity* has shortened the time required to complete and review the reports and made the administration of the program more efficient. However, at this time it is not possible to make a meaningful estimate of these cost efficiencies. Therefore, OGE has not attempted to deduct these cost savings from the estimated cost of the *Integrity* system.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Not applicable. The procedures for disclosing this information are mandated by the Ethics in Government Act, as amended.

17. If you are seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

OGE requests permission to not display the expiration date on the OGE Form 278e so that it may continue to be used beyond the three-year paperwork approval period requested, subject to appropriate further OMB approval, if the form is not sooner modified.

18. Explain each exception to the topics of the certification statement identified in Certification for Paperwork Reduction Act Submissions.

Certification items (c), (f) and (i) are not applicable to this information collection.

B. Collections of Information Employing Statistical Methods

Not applicable. This collection of information does not employ statistical methods.