



GENERAL COUNSEL OF THE NAVY
WASHINGTON, D.C. 20350-1000

September 28, 1999

MEMORANDUM FOR DISTRIBUTION

Subj: DETERMINATION CONCERNING EXCLUSIONS FROM FILING THE
CONFIDENTIAL FINANCIAL DISCLOSURE REPORT (OGE 450)

I have determined that more Department of the Navy (DON) officers, employees, and enlisted personnel are filing the Confidential Financial Disclosure Report (OGE Form 450), than is necessary to protect the integrity of DON programs. Supervisors are reminded that, when subordinates are unlikely to be involved in a real or apparent conflict of interest; when they are subject to a substantial degree of supervision; or when they exercise control over matters that would be inconsequential to DON integrity, they should not be required to file this disclosure report.

Exclusion from filing the OGE Form 450 is also appropriate when the employee only exercises control over matters that have a low dollar threshold. The Joint Ethics Regulation (JER), DOD 5500.7-R, section 7-300b.(2) has excluded those employees who control expenditures of less than \$20,000 cumulatively per year. In spite of this exclusion, a number of micro-purchasers are still required to file, even though they are subject to a high degree of supervision and do not have independent control of matters that are consequential to DON integrity.

Accordingly, pursuant to 5 C.F.R. § 2634.905 and JER Section 7-300b.(1), I have determined that micro-purchasers who make annual purchases totaling less than the simplified acquisition threshold, as defined in the Federal Acquisition Regulations (currently \$100,000), shall be excluded from filing the OGE Form 450. For this class of individuals, I have determined that a report is unnecessary because of the remoteness of any impairment to the integrity of the Federal Government.

This determination does not preclude individual supervisors from requiring subordinates to file the form when, in the supervisor's judgment, the subordinate has duties involving the exercise of significant independent judgment over matters that will have a substantial impact on the integrity of DON

operations and relationships with non-Federal entities. Further, this determination does not apply to individuals who hold contracting warrants or otherwise fall within the categories defined in 5 C.F.R. § 2634.904(a)(1) and JER § 7-300a. Certifying officers for the excluded micro-purchasers, however, should file the OGE Form 450. Finally, although this determination excludes this class of personnel from the filing requirement, these individuals remain subject to all statutory and regulatory conflict of interest restrictions (18 U.S.C. § 208 and 5 C.F.R. Part 2635, Subparts D, E, and F).



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