

Financial Disclosure: Updates Are Needed to the Public Reporting Requirements

GAO-25-107039 (Accessible Version)

Q&A Report to Congressional Committees

December 10, 2024

Why This Matters

The federal ethics program was created by the Ethics in Government Act of 1978 (EIGA) and amended by the Ethics Reform Act of 1989 and the Stop Trading on Congressional Knowledge Act of 2012 (STOCK Act). It aims to promote the integrity of governmental decision-making and support public confidence and trust in government.

A key component of the federal ethics program is the financial disclosure program, which applies to the executive, legislative, and judicial branches of government. As the supervising ethics office for the executive branch, the Office of Government Ethics (OGE) interprets ethics laws and issues regulations and guidance for the executive branch financial disclosure programs, among other functions.

Regular disclosure of personal financial interests helps ethics officials to identify and address conflicts with the filers' government responsibilities. There are two categories of filers in the executive branch. Public filers are typically high-level officials and career senior employees. Confidential filers are typically lower-level employees whose job duties involve a heightened risk of conflicts of interest (e.g., contracting, procurement, and grants administration). More than 29,000 public reports and 420,000 confidential reports were filed in 2023.

Since 1989, the EIGA has required GAO to report on the effectiveness of the financial disclosure system (5 U.S.C. § 13110(b)). This report provides information on the executive branch financial disclosure program, including how the program functions and prior efforts to update the program. Appendix I lists GAO reports on federal ethics issued over the last 20 years.

Key Takeaways

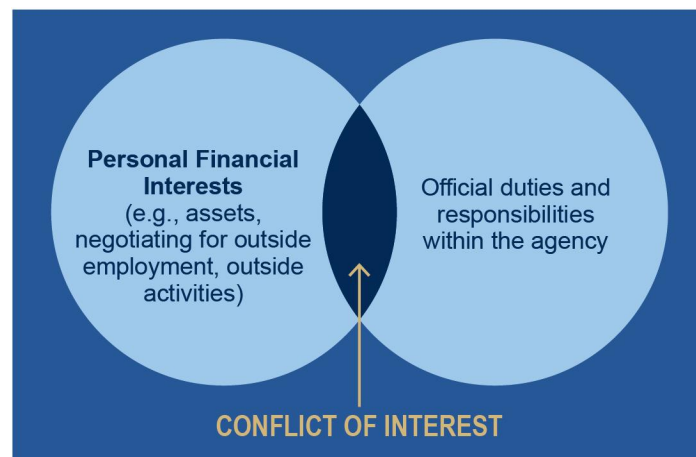
- OGE has updated and modified the reporting requirements for the confidential financial disclosure program through the regulatory process. OGE does not have the authority to modify or update the public reporting requirements as they were established by the 1978 EIGA.
- Evaluations of the financial disclosure program have been conducted in its 45-year history. These evaluations—spanning 25 years—included recommendations for Congress to amend the EIGA to address certain aspects of reporting requirements for public filers that are outdated, inconsistent, or unnecessary.
- The recommendations generally fall into four categories: (1) raising reporting thresholds; (2) changing and reducing the number of categories for reporting value; (3) ensuring consistency across regulations and laws; and (4) eliminating the disclosure of unnecessary information.

- Legislation would be necessary to revise any public reporting requirements. As of October 2024, we had not identified any enacted legislation addressing these specific issues. Furthermore, OGE’s last evaluation was conducted nearly 20 years ago.
- We are recommending that Congress consider amending the EIGA to update the public reporting requirements. We also recommend that OGE review and update its 2005 recommendations.

What is a conflict of interest?

Under the principal criminal conflict of interest statute, a conflict of interest occurs when a federal employee participates personally and substantially in official matters where the employee or any person whose interests are connected to the employee—such as the employee’s spouse or minor children—has a financial interest (fig. 1).¹

Figure 1: Conflict of Interest under Federal Law and Regulations



Source: GAO analysis of 18 U.S.C. § 208(a) and 5 C.F.R. § 2635.402. | GAO-25-107039

Personal and substantial participation occurs when, for example, an employee makes decisions, approvals, disapprovals, recommendations, investigations, or gives advice in a particular matter (see text box).

Example of a Conflict of Interest

An Air Force employee owns stock in a major aircraft engine manufacturer and is being considered for promotion to a position that involves responsibility for the development of a new fighter airplane. The agency determines that engineering and other decisions about the Air Force’s requirements for the fighter would directly and predictably affect the employee’s financial interests. The employee could not perform these significant duties of the position while retaining stock in the manufacturer, unless an exemption applied or the agency granted the employee a waiver.

Source: GAO summary of 5 C.F.R. § 2635.403. | GAO-25-107039

Who implements the executive branch ethics program?

Implementing the executive branch ethics program is a shared responsibility across government agencies, offices, and employees.

- **The Office of Government Ethics (OGE)** is the supervising ethics office for the executive branch and provides overall direction, oversight, and accountability of the executive branch ethics program. OGE interprets ethics laws, issues regulations, and leads the financial disclosure program that more than 140 executive branch agencies implement. As part of this role, OGE develops and manages the financial disclosure reports and maintains a web-based system (*Integrity*) for filing and reviewing public reports. OGE also provides training to agency ethics officials, issues guidance on ethics issues, and routinely reviews agency ethics programs.
- **Executive branch agency leaders** establish and maintain their agencies' ethics programs. Agency leaders are responsible for developing an effective ethics program and providing the resources necessary to sustain their agencies' ethics program. This includes designating an agency ethics official.
- **Designated Agency Ethics Officials** and other agency ethics officials are to carry out ethics program responsibilities and coordinate with OGE. Agencies develop and manage their own ethics programs because they each have specific missions and responsibilities, and therefore face different risks. OGE oversees and reviews these programs.
- **Inspectors General and the Department of Justice** are authorized to, among other things, investigate and prosecute potential violations of criminal statutes pertaining to ethics. If criminal violations are not found, agencies can take administrative action for non-criminal ethics violations and violations of the Standards of Conduct.
- **Executive branch employees** are individually responsible for complying with the requirements of ethics laws and regulations and are collectively responsible for making ethical conduct a standard of government service.

What are key elements of the executive branch ethics program?

Key elements of the executive branch ethics program include

- written standards for ethical conduct covering issues such as gifts, conflicting financial interests, impartiality, seeking employment, misuse of position, and outside activities;
- ethics training and advice for agency ethics officials and executive branch employees throughout their federal careers;
- the financial disclosure program, including annual disclosures and periodic transaction reports, as required; and
- enforcement—including late filing fees, agency disciplinary action, or referral to the Attorney General—against any employee who has not filed or who has filed a false, incomplete, or late financial disclosure report.

What is the executive branch financial disclosure program?

Financial disclosure provides a systematic review of the financial interests of both current and prospective officers and employees in the executive branch.

Goals of the Financial Disclosure Program

High-level officials in the executive branch are required to report certain financial interests publicly to ensure that every citizen can have confidence in the integrity of the federal government. It is equally important in order to guarantee the efficient and honest operation of the government that other, less senior, executive branch employees, whose government duties involve the exercise of significant discretion in certain sensitive areas, report their financial interests and outside business activities to their employing agencies, to facilitate the review of possible conflicts of interest.

Source: 5 C.F.R. § 2634.901(a). | GAO-25-107039

As shown in figure 2, executive branch employees required to file financial disclosure reports can be categorized as either public or confidential filers. This applies to both full-time federal employees and special government employees who serve for no more than 130 days during any 1-year period.

- **Public filers** are generally high-level elected or appointed officials (i.e., the President, Vice President, and cabinet secretaries) and employees (above GS-15 or equivalent rate of basic pay).
- **Confidential (nonpublic) filers** are generally lower-level employees whose job duties involve a heightened risk of conflicts of interest, such as contracting, procurement, licensing, administering grants or subsidies, and other activities that affect the interests of non-federal entities.

Figure 2: Executive Branch Financial Disclosure Reports Filed in 2023



Source: GAO analysis of Office of Government Ethics 2023 Annual Agency Ethics Program Questionnaire data. GAO icon. | GAO-25-107039

Accessible Data for Figure 2: Executive Branch Financial Disclosure Reports Filed in 2023

More than 450,000 financial disclosure reports filed.

- Approximately 29,000 public reports filed by senior agency officials.
- Approximately 392,000 confidential reports filed by agency employees.
- Approximately 200 public and 30,000 confidential reports filed by special government employees.

Source: GAO analysis of Office of Government Ethics 2023 Annual Agency Ethics Program Questionnaire data. GAO icon. | GAO-25-107039

What is the legislative history of the public financial disclosure program?

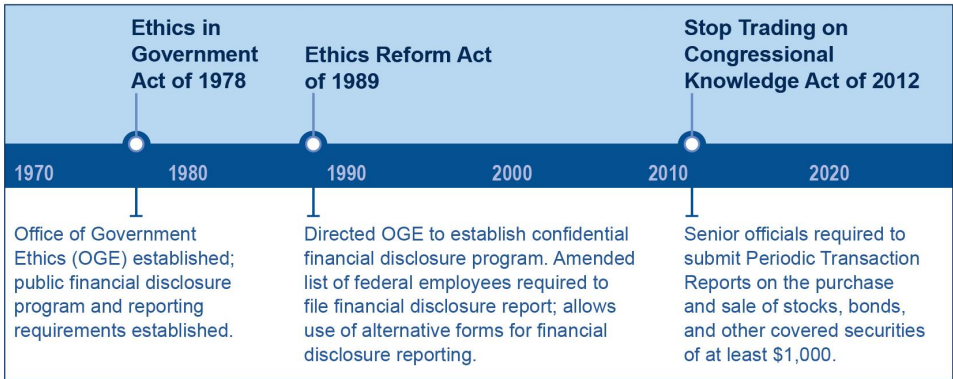
The Ethics in Government Act of 1978 (EIGA) established a system of public financial disclosure reporting applicable to all three branches of government.² The requirements are virtually identical across all three branches, including:

- the level of employees required to file,
- the type of information required to be reported,
- and the occasions when a report must be filed.

The EIGA also requires that these reports be reviewed and available to the public.

Since 1978, certain aspects of the financial disclosure program established by the EIGA have been amended and modified (see fig. 3). For example, one amendment authorized each supervising ethics office to establish a confidential financial disclosure system. The confidential system is discussed in more detail below.

Figure 3: Timeline of Federal Ethics Legislative Program Reforms



Source: GAO analysis of ethics legislation. | GAO-25-107039

Accessible Data for Figure 3: Timeline of Federal Ethics Legislative Program Reforms

Legislation	Legislation information
Ethics in Government Act of 1978	Office of Government Ethics (OGE) established; public financial disclosure program and reporting requirements established.
Ethics Reform Act of 1989	Directed OGE to establish confidential financial disclosure program. Amended list of federal employees required to file financial disclosure report; allows use of alternative forms for financial disclosure reporting.
Stop Trading on Congressional Knowledge Act of 2012	Senior officials required to submit Periodic Transaction Reports on the purchase and sale of stocks, bonds, and other covered securities of at least \$1,000.

Source: GAO analysis of ethics legislation. | GAO-25-107039

The Stop Trading on Congressional Knowledge Act of 2012 (STOCK Act) was enacted to, among other things, increase transparency and deter the use of nonpublic information to gain an unfair advantage in financial markets. The STOCK Act added a new requirement for public filers in the legislative and executive branches to promptly disclose the purchase and sale of stocks, bonds, and other covered securities of at least \$1,000.³

Who files public reports in the executive branch?

The EIGA requires the filing of publicly available annual financial disclosures by senior officials in all three branches of the federal government.⁴ The EIGA designates public filers in the executive branch based on whether an employee holds a covered position or meets certain employment criteria.⁵

Covered positions. Officials holding specific high-level positions are required to file public financial disclosures, including the President, Vice President, each agency's designated agency ethics official, and Presidential Appointees with Senate confirmation (i.e., cabinet secretaries), among others.

Employment criteria. Executive branch employees whose salary or job classification meets or exceeds statutorily defined criteria must file public reports. For example, employees above GS-15 or whose rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay for GS-15 (\$123,041 in 2024) must file public reports. The largest group of designated public filers are career Senior Executive Service employees, according to OGE.

In 2023, at least 29,360 public reports were filed by senior agency officials, according to OGE data.

What information are public filers required to report?

OGE Form 278e—the [Executive Branch Personnel Public Financial Disclosure Report](#)—outlines the information that public filers are required to report. The monetary values and categories of information were statutorily defined by the EIGA in 1978 and apply to all public filers in the three branches.⁶ Public filers must disclose

- **assets worth over \$1,000** or where more than \$200 of income from the asset was received. Examples of assets to report: annuities, stocks, bonds, mutual and exchange traded funds, rental property and IRA/401(k) holdings;
- **transactions in certain assets over \$1,000**, for example, sales or purchases of stocks and bonds;
- **nonfederal income above \$200**, which includes income categories such as non-federal salary, consulting fees, commissions, self-employment income, and pensions;
- **liabilities over \$10,000** (with some exceptions), including those for the filer's spouse and dependent children. Liabilities are debts owed and include mortgages on rental property, student loans, delinquent taxes, unsecured personal loans, and credit card debt;
- **positions held outside government**, including employee, officer, director, trustee, executor, representative, proprietor, general partner, or consultant;
- **agreements or arrangements with former and future employers**, such as continuing participation in an employee pension or benefit plan maintained by a current or former employer and continuation of payment by a current or former employer; and
- **gifts and certain travel reimbursements from one source, exceeding \$480**, including those for the filer's spouse and dependent children.⁷

These reports are available for public inspection for 6 years after filing.

Executive branch public filers also use an electronic form, OGE Form 278-T—[Periodic Transaction Report](#)—to disclose, within 30 days of the transaction, any purchase, sale, or exchange of stocks, bonds, futures, and certain other securities if the transactions value exceeds \$1,000. This applies to any eligible transaction by the filer, their spouse, or their dependent child. In 2023, almost

20,000 periodic transition reports were filed by executive branch public filers, according to OGE data.

OGE Form 278e and 278-T are generally filed and reviewed using *Integrity*, the web-based system for filing public financial disclosure reports.

What is the history of the confidential financial disclosure program?

The Ethics Reform Act of 1989 authorized OGE to establish the confidential financial disclosure system for less senior executive branch personnel in certain designated positions to facilitate internal agency conflict of interest review.⁸ As authorized, OGE developed the rules and regulations that govern the executive branch's confidential financial disclosure program.⁹

Throughout the 30-year history of the confidential financial disclosure program, OGE has updated and modified the reporting requirements through the regulatory process. For example, in 2018, OGE increased the reporting threshold for certain types of income from \$200 to \$1,000, among other changes.¹⁰ OGE noted these changes were intended to simplify reporting requirements without reducing agency ethics officials' ability to identify and resolve conflicts of interest.

OGE lacks the authority to make any changes to the public reporting requirements.

Who files confidential reports in the executive branch?

Executive branch employees who do not meet the statutory requirements to file public financial disclosure reports, but whose official job duties involve a heightened risk of conflicts of interest, generally must file confidential reports. Agencies designate certain positions as subject to the confidential filing requirements, based on criteria outlined in federal regulation: the employee's salary, official job duties, and level of responsibility.¹¹

Salary. Confidential filers whose rate of pay is lower than the statutorily defined requirements for public filing (i.e., employees whose rate of basic pay is less than 120 percent of the minimum rate of basic pay for GS-15) may be required to file confidential reports.

Official job duties and level of responsibility. Employees generally must file confidential reports if they participate personally and substantially in making decisions or exercising significant judgment—without substantial supervision and review—regarding:

- contracting or procurement;
- administering or monitoring grants, subsidies, licenses, or other federally conferred financial or operational benefits;
- regulating or auditing any non-federal entity;
- conducting other activities in which the final decision or action will have a direct and substantial economic effect on the interests of any non-federal entity; or
- investigating or prosecuting violations of criminal or civil law.

OGE provides guidance to agencies on identifying positions required to file confidential reports based on these regulations (see text box). For example, OGE developed a worksheet with questions that agency ethics officials can use to determine whether an employee's salary and official job duties qualify for confidential financial disclosure.¹²

Example of the Designation of a Confidential Filer

A contracting officer develops the requests for proposals for data processing equipment of significant value to be purchased by the agency. The contracting officer works with substantial independence of action and exercises significant judgment in developing the requests. Because the employee participates personally and substantially in the contracting process, the agency determined that the contracting officer is required to file a confidential disclosure report each year.

Source: 5 C.F.R. § 2634.904(a)(1)(ii)(Ex1). | GAO-25-107039

Agencies may exclude specific employees or groups of employees from all or a portion of the confidential financial disclosure reporting requirements if it is unlikely that an employee in that position would have a conflict of interest (see text box).¹³

Example of a Potential Exclusion of an Employee from Filing Confidential Disclosure

A nonsupervisory employee conducts the initial agency review of grant applications and advises about the merits of each application. Although the process of reviewing the grant applications entails significant judgment, the nonsupervisory employee's analysis and recommendations are subject to "substantial supervision and review." Thus, the agency may determine that the nonsupervisory employee is not required to file a confidential financial disclosure report, even though they have involvement in grants administration.

Source: 5 C.F.R. § 2634.904(b). | GAO-25-107039

In 2023, at least 422,278 confidential reports were filed by executive branch employees, according to OGE data.

What information are confidential filers required to report?

Confidential filers generally disclose the same assets, nonfederal income, liabilities, nonfederal positions, employment agreements, gifts, and travel as public filers (see above). However, per federal regulation, the information confidential filers are required to report is typically less extensive.

For example, both public and confidential filers must report ownership of stocks and bonds. But only public filers need to disclose (a) whether these securities are held by a spouse, minor child, or jointly; (b) the value of the asset (within a specified range); (c) the type of associated income from the asset; and (d) the amount of income earned from the asset during the reporting period.¹⁴

Confidential filers generally must use OGE Form 450—the [Executive Branch Personnel Confidential Financial Disclosure Report](#)—to file the required information. Pursuant to OGE regulations, the confidential reporting system only seeks information from employees that is relevant to the administration and application of criminal conflict of interest laws, administrative standards of conduct, and agency-specific statutory and program-related restrictions.¹⁵

Can agencies require the disclosure of additional or different information?

To address unique risks and particular concerns, with OGE approval, an agency may require that employees report additional information. An agency may also use an alternative procedure—such as a different confidential disclosure form—to require employees to disclose information particularly relevant to certain employees' duties or the agency's mission.¹⁶ Our three case study agencies—the Departments of Agriculture and Health and Human Services (HHS) and the National Science Foundation (NSF)—have supplemental financial disclosure requirements for their employees.¹⁷ Some agencies require additional reporting or use alternative procedures.

Supplemental information. Within HHS, the Food and Drug Administration (FDA) and the National Institutes of Health (NIH) require additional reporting to support compliance with OGE and agency regulations. For example:

- FDA employees who are required to file public or confidential disclosure reports, also must disclose all financial interests in “significantly regulated organizations” (SRO) which they are prohibited from holding.¹⁸ SROs include, for example, companies in the food, beverage, cosmetics, biotechnology, pharmaceutical, medical device, and related industries.¹⁹
- NIH also requires all public and confidential filers, and all clinical investigators, to disclose additional information on financial interests in “substantially affected organizations” (SAO).²⁰ A SAO is a company or organization that is substantially affected by the programs, policies, or operations of the NIH, such as biotechnology or pharmaceutical companies and medical device manufacturers. NIH employees may not, for example, be employed by a SAO, a supported research institution, or a health care provider or insurer.²¹ Senior employees (and their spouses or minor children) generally may not have a financial interest in any SAOs.²²

Alternative procedures. Agencies can develop alternative procedures for collecting confidential financial information in lieu of using the OGE Form 450. According to OGE officials, these alternative procedures are often used by special government employees (SGE) serving on the approximately 1,000 Federal Advisory Committee Act (FACA) committees across the government.

For example, NSF has OGE approval to use alternative confidential financial disclosure forms for advisory committee members and panelists who review grant proposals.²³ NSF ethics officials told us the agency receives approximately 50,000 grant proposals each year and hires between 17,000 and 19,000 SGEs to serve as panelists for a typical term of 1-3 days.

According to NSF ethics officials, the conflict of interest risk typically arises from a panelist’s affiliation with a research institution or individual who has a personal interest in the proposal being reviewed. The types of relationships captured by the alternative forms—such as research collaborators, co-authors, and co-editors—would not be captured by the standard confidential financial disclosure form, according to NSF ethics officials.

Who are special government employees?

Federal law established the SGE category in 1962 to make it easier to hire outside consultants, experts, and other temporary employees.²⁴ SGEs are employees appointed to serve for no more than 130 days during any 1-year period. Executive branch agencies reported employing a total of 38,913 SGEs in 2023, according to OGE data.

Many agencies use SGEs to provide expertise or perspectives that may be unavailable among an agency’s regular employees. SGEs may perform duties such as conducting peer reviews of scientific research, developing recommendations on specific policy decisions, identifying long-range issues facing the nation, or evaluating grant applications. For example, there are about 1,000 FACA committees governmentwide that advise the President and federal agencies and develop policy recommendations on various issues that affect Americans (e.g., stem cell research, space exploration, tax administration, and drug approvals).

SGEs often have substantial non-federal employment activities and financial interests that can pose unique ethical issues. Like other federal employees,

SGEs are usually barred from participating in matters that directly affect their personal financial interests.²⁵

Which financial disclosure reports are SGEs required to file?

SGEs are subject to financial disclosure reporting.²⁶ In 2023, SGEs filed approximately 30,500 public and confidential financial disclosure reports, according to OGE data.

- **Public reports.** Like other officials, SGEs who meet the salary or classification requirements for public filing (discussed above) must file a public report.²⁷ In 2023, SGEs in the executive branch filed 162 public reports, according to OGE data.
- **Confidential reports.** SGEs who have a substantial role in the formulation of policy or whose job duties meet the requirements for confidential filing (discussed above) generally must file a confidential report (unless already required to file a public report).²⁸ In 2023, SGEs filed more than 30,330 confidential reports, according to OGE data.

All SGEs serving on FACA committees are required to file a financial disclosure report.²⁹ The required report (public or confidential) must be filed within 30 days of the appointment or before the SGE provides any advice to the agency and before the first committee meeting, whichever is sooner.³⁰ Like other federal employees, SGEs may be excluded from all or a portion of the confidential filing requirements if the employing agency determines that the duties of the position make the possibility of a conflict of interest remote.³¹ Executive branch agencies reported excluding more than 8,600 SGEs from all or a portion of the confidential filing requirements in 2023.³²

How many public and confidential financial disclosure reports are filed each year?

Executive branch employees filed more than 420,000 public and confidential reports on average each year between 2014 and 2023, according to OGE's Annual Agency Ethics Program Questionnaire data. According to OGE, it uses the questionnaire to conduct oversight of each agency's ethics program, among other oversight activities.

In the aggregate, the responses also provide a picture of the entire executive branch financial disclosure program (see table 1). Appendix II presents data from selected agencies' individual 2022 questionnaire.

Table 1: Executive Branch Financial Disclosure Reporting, 2014-2023

Calendar year	Full-time employees	Public reports filed	Confidential reports filed	Total Special Government Employees (SGEs)	SGE public reports filed	SGE confidential reports filed
2023	3,752,433	29,203	391,944	38,913	162	30,334
2022	3,557,512	28,031	380,451	40,147	177	31,889
2021	3,569,208	28,817	375,008	38,288	195	31,008
2020	3,622,654	26,742	365,069	34,609	147	27,536
2019	3,580,568	27,021	362,719	34,862	131	27,063
2018	3,745,872	25,935	353,300	46,994	110	27,563
2017	3,781,088	28,237	355,334	42,904	115	27,540
2016	3,858,491	25,479	369,446	37,450	137	27,334
2015	3,664,787	24,878	340,623	36,118	152	26,027
2014	3,738,636	25,347	355,463	40,424	207	24,560

Source: GAO analysis of Office of Government Ethics data. | GAO-25-107039

Notes: The data collected by the Office of Government Ethics through its Annual Agency Ethics Program Questionnaire are self-reported agency data. The aggregate number for certain data points may be higher than reported, due to the exclusion of classified information.

The number of public reports listed excludes periodic transaction reports. Confidential reports include OGE Form 450 and OGE-approved alternative forms.

Full-time employees include officers or employees of an agency, including special government employees (SGEs), and military officers—but not enlisted members of the uniformed services—employed on a full-time basis as of December 31 of each year. SGEs are officers or employees who perform temporary duties for not more than 130 days during any 1-year period. Total SGEs refers to the number of SGEs employed by executive branch agencies in total during each year.

How are conflict of interest reviews conducted?

Agency ethics officials review the financial disclosure reports filed by employees in positions covered by the public or confidential filing requirements. Regular disclosure of employees' personal financial interests is intended to help ethics officials identify and address potential or actual conflicts with their government responsibilities. Federal law as well as OGE regulations and guidance outline the standards of review (see fig. 4).

Figure 4: Steps to Conduct Conflict of Interest Reviews



Source: GAO analysis of 5 U.S.C. § 13103, 5 C.F.R. § 2634.903, and Office of Government Ethics guidance. GAO icons. | GAO-25-107039

Accessible Data for Figure 4: Steps to Conduct Conflict of Interest Reviews

1. Financial disclosure report filing: Executive branch employees file the required financial disclosure report by the applicable due date. Extensions can be requested.
2. Technical review: Agency ethics officials identify and address any issues of report completion (i.e., late submission, incomplete entries, omissions, or inconsistencies).
3. Conflicts review: Agency ethics officials identify any potential or actual conflicts of interest based on the employee's financial interests and official job duties.
4. Resolve any conflicts: Agency ethics officials work with the employee to resolve any potential or actual conflicts of interest, if applicable (i.e., recusal from certain official job duties or selling an asset).
5. Certification: Agency ethics officials certify that the report is complete and no interest or position disclosed violates or appears to violate any applicable laws and regulations.

Source: GAO analysis of 5 U.S.C. § 13103, 5 C.F.R. § 2634.903, and Office of Government Ethics guidance. GAO icons. | GAO-25-107039

^aDeadlines for submitting financial disclosure reports vary by type of report and filer.

One challenge that ethics officials previously cited was the emergence of new financial instruments and increasingly complex financial disclosure reports.³³ OGE officials told us that they have various resources to support agency ethics officials' review and certification of disclosure reports. These include, for example:

- regularly updated, detailed public and confidential financial disclosure guides;³⁴

- legal advisories on a variety of financial holdings, including emerging instruments. For example, in 2018, OGE issued guidance for reporting virtual currency and, in 2023, a legal advisory on digital asset ownership.³⁵
- a series of guides for ethics officials on identifying potential conflicts of interest that can arise from various types of employment interests, investment interests, and liabilities.³⁶ For example, OGE has guidance on analyzing conflicts of interest that can arise from non-employment-related stocks, stock derivatives, and bonds, and other types of assets that are not investment vehicles.³⁷ Other guides focus on conflicts that might arise from employment interests such as business or farm ownership or law firm or consulting employment.³⁸

What actions can be used to address conflicts of interest?

There are several actions outlined in federal regulations that agencies and employees can take to address conflicts of interest.³⁹

- **Disqualification.** Employees can disqualify themselves from participating in any official job duties that conflict with covered financial interests. Agency ethics officials we spoke with told us that generally, disqualification, or recusal from certain job duties, is the preferred way to address conflicts of interest. If recusal is not feasible, then one of the following actions can be taken.
- **Waivers.** If an agency decides that an employee's financial interest is not substantial enough to affect the integrity of the employee's participation in the conflicting job duties, the agency may waive the disqualification requirements. Executive branch agencies granted 147 of these waivers in 2023, according to data collected by OGE. Agencies may also grant waivers to SGE members of federal advisory committees if an agency decides that the need for an SGE's expertise outweighs the potential for a conflict of interest. Executive branch agencies granted 353 of these SGE waivers in 2023, according to OGE data.
- **Divestiture.** Agencies may require an employee to sell or otherwise divest from a financial interest that presents a conflict of interest with the employee's job duties. An employee who is directed to divest from an interest may be eligible to receive a "certificate of divestiture" to defer the tax consequences of selling that interest.
- **Resignation from outside positions.** An employee may be required to resign from an outside position in circumstances where the position creates a disqualifying financial interest for the employee that cannot be readily overcome through any other remedy (see text box).
- **Qualified trusts.** The EIGA created two types of qualified trusts—qualified blind trusts and qualified diversified trusts—that can be used to remedy financial conflicts of interest.⁴⁰ However, OGE officials told us that as of May 2024, their office had not reviewed or certified any qualified trusts since before 2014. According to officials at OGE, executive branch employees have instead used other available actions to address financial conflicts of interest.

Example of Resignation from an Outside Position

An employee at the Bureau of Land Management (BLM) has an uncompensated outside position as the Vice President of The Foundation for the Preservation of Wild Horses. The foundation routinely comments on proposed rules issued by the BLM and its costs are affected by federal policies regarding grazing permits. BLM may require the employee to resign from the outside position rather than allowing the employee to be recused from those matters.

Source: 5 C.F.R. § 2635.403(c)(2). | GAO-25-107039

What evaluations of the executive branch financial disclosure program have been done?

Several extensive evaluations of the financial disclosure program and the EIGA more broadly have been conducted in its 45-year history. Key evaluations related to the financial disclosure program include the following:

- **The President’s Commission on Federal Ethics Law Reform issued a report and recommendations to the President in 1989.**⁴¹ The Commission was established by a 1989 Executive Order to “review federal ethics laws, executive orders, and policies and make recommendations to the President for legislative, administrative, and other reforms needed to ensure full public confidence in the integrity of federal officials and employees.”⁴² This report helped inform the legislative amendments to the EIGA in the 1989 Ethics Reform Act.
- **OGE submitted a report to Congress in 2001** as required by the Presidential Transition Act of 2000.⁴³ The law directed OGE to submit recommendations and legislative proposals on (1) streamlining, standardizing, and coordinating the financial disclosure process and requirements of financial disclosure reports for Presidential nominees; (2) avoiding duplication of effort and reducing the burden of filing; and (3) any other relevant matter OGE determines appropriate.
- **OGE submitted a second report to Congress in 2005** evaluating the financial disclosure process for executive branch employees, as mandated by Congress.⁴⁴ OGE proposed amendments to the EIGA to improve the public financial disclosure reporting requirements. OGE stated at that time that most of the additional improvements that OGE considered necessary could only be achieved through legislative amendments to the EIGA. In 2008, OGE, in coordination with the Office of Management and Budget, submitted draft legislation based on this report.⁴⁵
- **The National Academy of Public Administration (NAPA) submitted a report to Congress and the President in 2013** that contained findings and recommendations relevant to the financial disclosure program.⁴⁶ In 2012, legislation was enacted that required the Office of Management and Budget to contract with NAPA to conduct a review of issues raised by the STOCK Act’s provision requiring that financial disclosures be made available in a searchable, sortable, online database.⁴⁷

What did these studies find about the financial disclosure system?

Prior evaluations—spanning 25 years—consistently found that public filers are required to report more detail and information than is necessary for an effective conflict of interest review.

Almost 35 years ago, the President’s Commission found that while the public financial disclosure program should be continued, the statutory EIGA requirements for public filers are exceedingly detailed and, in some cases, require too much or too little disclosure. This is in part because the reporting thresholds and value categories were fixed in 1978 and do not account for

inflation or the passage of time. For example, filers must report asset values and income within specific categories representing a variety of value ranges. However, the commission found that the top category is too low and may not give as full a disclosure of financial interests as when the EIGA was first enacted.

More than 10 years later, OGE and NAPA had consistent findings. For example:

- In both its 2001 and 2005 evaluations, OGE concluded that the current public financial disclosure system requires the reporting of more information than is necessary or useful for the purposes of conflict of interest analysis or maintaining public confidence in government.
- According to NAPA's 2013 study, the statutorily-defined information that is required to be reported is outdated, inconsistent, and confusing. For example, NAPA stated that "the dollar value thresholds and ranges—which have not changed since 1978—do not correspond to the ranges the Department of Justice uses in investigating and prosecuting insider trading cases and differ from other categories of items that filers must report."

What are some of the proposed recommendations to improve the public financial disclosure system?

All of these evaluations proposed recommendations for Congress to amend the EIGA to address outdated, inconsistent, or unnecessary reporting requirements for executive branch public filers.

These recommendations reflect the views of the entities that prepared these studies at the time they were issued. We are not endorsing any of the recommendations in this report. These recommendations represent policy choices for Congress.

The specific recommendations generally fall into four categories, described below. We highlighted examples of requirements that appeared most often across the four evaluations.

1. **Raise reporting thresholds.** Reporting thresholds were established in 1978 and are outdated. For example:
 - a. Disclosing assets valued above \$1,000, as required by current law, does not reflect current economic conditions, according to OGE.
 - b. The liability reporting threshold of \$10,000 does not reflect rising income since 1978. As a result, OGE found that filers are more often required to publicly report standard consumer and credit card debt, which is of little or no use for conflict analysis.
 - c. The current \$5,000 threshold for disclosing certain sources of compensation does not reflect inflation and increasing fees for personal services, such as attorney fees, according to OGE.
2. **Change and reduce the number of categories for reporting value.** The 1978 EIGA established specific categories for public filers to disclose the value of assets, transactions, income, and liabilities (see text box). In 1989, the President's Commission noted that these categories did not provide useful information to the public or reviewers. OGE and NAPA also found the categories should be changed.
3. **Update requirements to be consistent.** OGE and NAPA identified several requirements where the statutorily defined threshold or valuation category differs from other regulations or for other filers. According to OGE, in the absence of any demonstrated need for different thresholds or categories, it would be simpler and more logical to maintain consistent categories.

For example, public filers must report earned and investment income above \$200 but the threshold for reporting an asset's value and a spouse's earned income is more than \$1,000.

4. **Remove the requirement to report information that is unnecessary for conflict analyses.** Since 2001, OGE has presented a number of amendments to reduce the amount of information filers are required to report. This would save time both for the filers and the reviewers, and, according to OGE, would not impede the effectiveness of the review or public scrutiny. For example, such amendments to reduce required information could mean that filers would no longer need to disclose
- an itinerary in connection with reporting travel reimbursements;
 - cash deposit accounts (e.g., savings account, checking account, money market account) valued at or below \$100,000, which are federally insured;
 - the underlying assets of certain financial interests for which the filer is not actively involved; and
 - the value of defined benefit pension plans or state and local government sponsored defined benefit plans.

Value Categories for Reporting Assets Under the Ethics in Government Act

Under the existing law, the valuation categories for assets are, as follows:

- More than \$1,000 to \$15,000
- \$15,001 - \$50,000
- \$50,001-\$100,000
- \$100,001 - \$250,000
- \$250,001 - \$500,000
- \$500,001 - \$1,000,000
- \$1,000,001 - \$5,000,000
- \$5,000,001 - \$25,000,000
- \$25,000,001 - \$50,000,000
- Over \$50,000,000

Source: 5 U.S.C. § 13104. | GAO-25-107039

Additionally, the President's Commission recommended Congress consider granting OGE the authority to make certain types of changes to the valuation categories through federal regulations, as it does for the confidential financial disclosure program. Specifically, the Commission in 1989 recommended that "the specified statutory reporting requirements be replaced with general requirements, with an authorization for OGE to impose detailed reporting requirements by regulation."⁴⁸ Further, NAPA recommended providing OGE flexibility to modify the questions on the financial disclosure forms, subject to Congressional notification.

NAPA's 2013 study included recommendations for Congress, in consultation with OGE and other ethics experts, to 1) improve the questions asked of filers; 2) determine what data must be collected to ensure thorough financial disclosure reviews and go no further; and 3) assess the costs of the financial disclosure program.⁴⁹

These evaluations and their recommendations provide policymakers and lawmakers with information to consider updates or legislative changes to the government's ethics program. This is consistent with *Standards for Internal Control in the Federal Government*, which calls for analyzing and responding to identified changes and related risks.⁵⁰ In this case, changes in economic,

financial, and employment conditions over the last 45 years underscore the need to update the public reporting requirements.

However, legislation would be necessary to revise any public reporting requirements and address these issues. As of October 2024, we had not identified any enacted legislation addressing these specific recommendations.

Moreover, while the proposed changes described above may still be relevant and warranted, OGE's last evaluation is almost 20 years old. As a result, OGE's most recent evaluation does not reflect legislative changes introduced by the 2012 STOCK Act and other economic, financial, or regulatory changes that have occurred—or are expected to occur—that may affect the specific recommendations for updating the EIGA.

An updated evaluation might reveal or identify new considerations that were not part of past studies and could provide Congress with quality information as it considers changes to the public financial disclosure program. Quality information—as defined by *Standards for Internal Control in the Federal Government*—is relevant, reliable, appropriate, and current.⁵¹

Conclusions

The financial disclosure program helps to identify and address potential or actual conflicts of interest among federal employees. In the 45 years since it was established, there have been amendments and reforms to improve and modernize the system which, in 2023, involved the review and certification of more than 450,000 confidential and public reports. However, evaluations over the years, including those from OGE, have consistently identified the need for legislation to improve the content of the public reporting requirements to better focus on potential conflicts of interest. By considering amendments to the Ethics in Government Act to update the public reporting requirements, in consultation with OGE, Congress could help reduce filing and review burdens while ensuring that agencies continue to have relevant, reliable, and appropriate information for their conflict of interest reviews.

Further, as the supervising ethics office in the Executive Branch, OGE is best positioned to offer relevant, reliable, and current recommendations to ensure that the executive branch financial disclosure program is meeting its critical goals of addressing conflicts of interest, deterring trading on nonpublic information, and improving public confidence in government. Reviewing and updating its 2005 recommendations for legislative changes, as appropriate, would help OGE ensure its proposals are current and also reflect any additional potential considerations for Congress in the last two decades.

Matter for Congressional Consideration

Congress should consider amending the Ethics in Government Act to update the public reporting requirements, in consultation with the Office of Government Ethics. (Matter for Consideration 1)

Recommendation for Executive Action

The Director of the Office of Government Ethics should update its 2005 recommendations for legislative changes to the executive branch public financial disclosure program, seeking authority to do so, as appropriate. (Recommendation 1)

Agency Comments

We provided a draft of this report to OGE for review and comment. OGE neither agreed nor disagreed with our recommendation but stated that the agency's authorities do not extend to making independent policy recommendations, unless explicitly given that authority by Congress. OGE further stated that its

recommendations could be subject to revision through the Administration's political and policy review. The recommendation remains valid as OGE is best positioned to provide relevant and appropriate recommendations for updating the public financial disclosure program. We would expect OGE to take any administrative steps necessary to update its 2005 recommendations. OGE also provided technical comments, which we incorporated as appropriate.

How GAO Did This Study

We obtained information about the federal financial disclosure program from OGE. We reviewed federal statutes, regulations, and OGE guidance governing financial disclosure by executive branch employees to identify:

- the executive branch positions required to file public and confidential financial disclosure reports;
- information required on the financial disclosure reports; and
- actions available to address potential and actual conflicts of interest.

We reviewed several evaluations of the financial disclosure program since 1989 and identified consistent findings and recommendations to improve the public financial disclosure program. We reviewed *Standards for Internal Control in the Federal Government* and determined principle 9 (identify, analyze, and respond to significant changes) and principle 13 (use quality information) as significant to our objectives.

To determine the scope and magnitude of the executive branch financial disclosure program, we analyzed data from OGE's Annual Agency Ethics Program Questionnaire for calendar years 2014 to 2023. To determine the reliability of OGE's data, we tested the data for errors, reviewed OGE documentation, and interviewed OGE officials. We determined the data were sufficiently reliable for our purposes.

To obtain the perspectives of agencies' ethics officials on their financial disclosure programs, we reviewed documents and interviewed officials from three selected executive branch agencies. We selected the departments of Agriculture, Health and Human Services, and the National Science Foundation because they reviewed the largest number of financial disclosure reports among large, medium, and small agencies, based on our analysis of OGE's 2022 data. The results of our interviews from the selected agencies are not generalizable to all agencies but provide valuable insights into federal agencies' financial disclosure programs.

We conducted this performance audit from August 2023 to December 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

List of Addressees

The Honorable Gary C. Peters
Chairman
The Honorable Rand Paul, M.D.
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable James Comer
Chairman
The Honorable Jamie Raskin
Ranking Member
Committee on Oversight and Accountability
House of Representatives

GAO Contact Information

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Appendix I: History of GAO Reports in the Ethics Area

Federal ethics has been a long-standing part of GAO's oversight work. Since 1989, the EIGA has required GAO to report on the effectiveness of the financial disclosure system.⁵² Subsequently, in the early 1990s, we issued a series of reports on the financial disclosure programs for the judicial and legislative branches:

Financial Disclosure: Implementation of Statute Governing House and Legislative Agency Personnel, [GAO/GGD-94-76](#) (Washington D.C.: Mar. 16, 1994).

Financial Disclosure: Implementation of Statute Governing Senate and Legislative Agency Personnel, [GAO/GGD-94-77](#) (Washington D.C.: Mar. 16, 1994).

Financial Disclosure: Implementation of Statute Governing Judicial Branch Personnel, [GAO/GGD-93-85](#), (Washington, D.C.: Apr. 27, 1993).

Since 2004, we have issued many reports—either by request or another mandate—that address ethics issues.

Post-Employment Restrictions

Securities and Exchange Commission: Existing Post-Employment Controls Could be Further Strengthened, [GAO-11-654](#) (Washington D.C.: July 12, 2011).

Former Federal Trade Officials: Laws on Post-Employment Activities, Foreign Representation, and Lobbying, [GAO-10-766](#) (Washington, D.C.: June 23, 2010).

Post-Government Employment Restrictions and Foreign Agent Registration: Additional Action Needed to Enhance Implementation of Requirements, [GAO-08-855](#) (Washington D.C., July 30, 2008).

Defense Contracting: Post-Government Employment of Former DOD Officials Needs Greater Transparency, [GAO-08-485](#) (Washington, D.C.: May 21, 2008).

SGEs, Advisory Committees, Political Appointees

Federal Advisory Committees: Actions Needed to Enhance Decision-Making Transparency and Cost Data Accuracy, [GAO-20-575](#) (Washington D.C.: Sept. 10, 2020).

Federal Ethics Programs: Government-wide Political Appointee Data and Some Ethics Oversight Procedures at Interior and SBA Could Be Improved, [GAO-19-249](#) (Washington, D.C.: Mar. 14, 2019).

Presidential Transition: Information on Ethics, Funding, and Agency Services, [GAO-17-615R](#) (Washington, D.C.: Sept. 7, 2017).

Federal Workforce: Opportunities Exist to Improve Data on Selected Groups of Special Government Employees, [GAO-16-548](#) (Washington, D.C.: July 15, 2016).

Personnel Practices: Conversions of Employees from Political to Career Positions May 2005 - May 2009, [GAO-10-688](#) (Washington, D.C.: June 29, 2010).

Federal Communications Commission: Federal Advisory Committees Follow Requirements, but FCC Should Improve Its Process for Appointing Committee Members, [GAO-05-36](#) (Washington, D.C.: Dec. 10, 2004).

Federal Advisory Committees: Additional Guidance Could Help Agencies Better Ensure Independence and Balance, [GAO-04-328](#) (Washington, D.C.: Apr. 16, 2004).

Contractors

Contingency Contracting: Improvements Needed in Management of Contractors Supporting Contract and Grant Administration in Iraq and Afghanistan, [GAO-10-357](#) (Washington, D.C.: Apr. 12, 2010).

Defense Contracting: Additional Personal Conflict of Interest Safeguards Needed for Certain DOD Contractor Employees, [GAO-08-169](#) (Washington, D.C.: Mar. 7, 2008).

Homeland Security: DHS Needs to Improve Ethics-Related Management Controls for the Science and Technology Directorate, [GAO-06-206](#) (Washington, D.C.: Dec. 22, 2005).

Defense Ethics Program: Opportunities Exist to Strengthen Safeguards for Procurement Integrity, [GAO-05-341](#) (Washington, D.C.: Apr. 29, 2005).

Other Ethics Issues

Federal Judiciary: The Administrative Office of the U.S. Courts Should Ensure Financial Disclosure Redaction Reports Are Submitted to Congress Annually, [GAO-18-406](#) (Washington, D.C.: May 31, 2018).






Political Intelligence: Financial Market Value of Government Information Hinges on Materiality and Timing, [GAO-13-389](#) (Washington, D.C.: Apr. 04, 2013).

Troubled Asset Relief Program: June 2009 Status of Efforts to Address Transparency and Accountability Issues, [GAO-09-658](#) (Washington, D.C.: June 17, 2009).


Appendix II: Additional Information on CY2022 Financial Disclosure Reports in Agencies Covered by the CFO Act of 1990






The following table summarizes financial disclosure data reported to the Office of Government Ethics through its Annual Agency Ethics Program Questionnaire for calendar year 2022 by Chief Financial Officers Act of 1990 agencies.⁵³



Table 4: Key Statistics of Calendar Year 2022 Financial Disclosure Reporting at Agencies Covered by the Chief Financial Officers Act of 1990

Agency	Full-time employees	Public reports filed	Confidential reports filed	Total Special Government Employees (SGEs)	SGE public reports filed	SGE confidential reports filed
 Agency for International Development	9,954	628	2,894	14	1	10
 Department of Agriculture	100,000	683	11,831	287	0	248
 Department of Commerce	38,147	1,090	12,499	384	0	315
 Department of Defense- Department of the Air Force	473,522	950	26,756	88	49	39
 Department of Defense- Department of the Army	671,280	1,077	45,673	397	55	d339

Agency	Full-time employees	Public reports filed	Confidential reports filed	Total Special Government Employees (SGEs)	SGE public reports filed	SGE confidential reports filed
 Department of Defense- Department of the Navy	247,121	1,158	40,515	44	12	32
 Department of Defense- Office of the Secretary of Defense	119,087	698	17,513	1,987	13	312
 Department of Education	4,072	322	1,349	117	0	91
 Department of Energy	13,984	778	7,686	228	9	216
 Department of Health and Human Services	79,844	1,639	34,209	7,974	0	3,655
 Department of Homeland Security	209,662	1,570	18,111	112	0	103

Agency	Full-time employees	Public reports filed	Confidential reports filed	Total Special Government Employees (SGEs)	SGE public reports filed	SGE confidential reports filed
 Department of Housing and Urban Development	8,406	233	2,670	23	0	23
 Department of the Interior	60,324	543	11,865	124	0	121
 Department of Justice	120,212	3,585	22,417	25	6	17
 Department of Labor	15,056	394	3,432	1,121	0	1,116
 Department of State	25,200	1,804	7,799	118	0	85
 Department of Transportation	54,206	987	22,498	22	0	20
 Department of the Treasury	87,614	858	10,034	47	1	42

Agency	Full-time employees	Public reports filed	Confidential reports filed	Total Special Government Employees (SGEs)	SGE public reports filed	SGE confidential reports filed
 Department of Veterans Affairs	425,729	813	11,812	1,059	2	101
 Environmental Protection Agency	14,844	513	7,691	594	0	293
 General Services Administration	12,066	183	7,237	25	0	24
 National Aeronautics and Space Administration	17,747	725	12,200	229	0	205
 National Science Foundation	1,513	218	826	22,688	2	22,690
 Nuclear Regulatory Commission	2,676	209	1,362	39	12	27
 Office of Personnel Management	2,639	144	414	33	0	0

Agency	Full-time employees	Public reports filed	Confidential reports filed	Total Special Government Employees (SGEs)	SGE public reports filed	SGE confidential reports filed
 Small Business Administration	3,380	118	1,032	0	0	0
 Social Security Administration	57,942	1,569	1,757	0	0	0

Source: GAO analysis of Office of Government Ethics 2022 Annual Agency Ethics Program Questionnaire data. | GAO-25-107039

Notes: Executive branch agencies submit an Annual Agency Ethics Program Questionnaire to the Office of Government Ethics (OGE). The Office of the Secretary of Defense, each military department, and other Department of Defense components have separate ethics programs. OGE collects individual questionnaire responses from each of these components.

The data collected by OGE through its Annual Agency Ethics Program Questionnaire are self-reported agency data. The aggregate number for certain data points may be higher than reported, due to the exclusion of classified information.

The number of public reports excludes periodic transaction reports. Confidential reports include OGE Form 450 and OGE-approved alternative forms.

Full-time employees include officers or employees of an agency, including special government employees (SGEs), and military officers, but not enlisted members of the uniformed services, employed on a full-time basis as of December 31, 2022. SGEs are officers or employees who are retained, designated, appointed, or employed to perform temporary duties for not more than 130 days during any period of 365 consecutive days. SGE positions include federal advisory committee members, part-time U.S. Commissioners, experts, and consultants, among others. Total SGEs refers to the number of SGEs employed by each agency in calendar year 2022.

Appendix III: Additional Source Information for Images, Tables, or Figures

This appendix contains credit, copyright, and other source information for images, tables, or figures in this product when that information was not listed adjacent to the image, table, or figure.

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Page 22: National Aeronautics and Space Administration (agency seal)
Page 22: National Science Foundation (agency seal)
Page 22: Nuclear Regulatory Commission (agency seal)
Page 22: Office of Personnel Management (agency seal)
Page 23: Small Business Administration (agency seal)
Page 23: Social Security Administration (agency seal)

Appendix IV: Comments from the U.S. Office of Government Ethics

UNITED STATES OFFICE OF GOVERNMENT ETHICS



November 13, 2024

Yvonne D. Jones
Director
Strategic Issues
U. S. Government Accountability Office
441 G St., NW
Washington, DC 20548

Dear Director Jones:

The U.S. Office of Government Ethics (OGE) appreciates the opportunity to provide comments on the U.S. Government Accountability Office's (GAO) report titled, *Financial Disclosure: Updates Are Needed to the Public Reporting Requirements* (GAO-25-107039). OGE is pleased that GAO acknowledges OGE's extensive efforts to implement strong financial disclosure programs across the executive branch. As indicated in the report, OGE has made full use of its statutory authorities to ensure that these programs mitigate the risk of conflicts of interest and ensure the impartiality of government decision making. However, OGE's statutory authorities do not extend to making independent policy recommendations to Congress and therefore limit the agency's ability to address the recommendation in the report.


Specifically, regarding the GAO recommendation that OGE should update its 2005 recommendations for legislative changes to the executive branch public financial disclosure program, OGE lacks the authority to independently propose legislative revisions to Congress unless explicitly given that authority by Congress. Unlike statutorily independent agencies, OGE is not empowered to share policy views or recommendations without clearance and potential revision through the Administration's political and policy review process, including the requirements of OMB Circular No. A-19. Additionally, OGE's sole Presidentially appointed, Senate-confirmed Director is employed at will by the President and any formal views provided by the agency are those of the Administration. If GAO recommends and Congress subsequently expects OGE's unaltered recommendations for reform, Congress will need to provide the authority for OGE to bypass the Administration's clearance process.

Thank you again for the opportunity to provide extensive feedback and technical corrections on the various drafts of this report.

Sincerely,

**SHELLEY
FINLAYSON**

Shelley K. Finlayson
Acting Director

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Accessible Text for Appendix IV: Comments from the U.S. Office of Government Ethics

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Director
Strategic Issues
U.S. Government Accountability Office
441 G St., NW
Washington, DC 20548

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Sincerely,

SHELLEY FINLAYSON

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FINLAYSON
Date: 2024.11.13 13:51:31 -05'00'

Shelley K. Finlayson
Acting Director

Endnotes

¹18 U.S.C. § 208; 5 C.F.R. § 2635.402.

²Pub. L. No. 95-521 (1978), *codified at* 5 U.S.C. §§ 13101-13111.

³5 U.S.C. § 13105(l). We previously reported on the role of political intelligence on the financial markets. See GAO, *Political Intelligence: Financial Market Value of Government Information Hinges on Materiality and Timing*, [GAO-13-389](#) (Washington, D.C.: Apr. 4, 2013).

⁴5 U.S.C. § 13105. Public filers also must file new entrant and termination reports.

⁵5 U.S.C. § 13103(f).

⁶5 U.S.C. § 13104(a)(1)(A)-(B).

⁷5 U.S.C. § 13104(a)(2)(A)-(B). The reporting thresholds for gifts, reimbursements, and travel expenses are tied to the dollar amount for the “minimal value” threshold for foreign gifts established by 5 U.S.C. § 7342(a)(5). The General Services Administration redefines the value every 3 years.

⁸5 U.S.C. § 13109. As the supervising ethics office for the executive branch, OGE may require executive branch officers and employees to file confidential financial disclosure reports, in such form as it may prescribe.

⁹5 U.S.C. § 13109.

¹⁰83 Fed. Reg. 33980, 34007 (Jul. 18, 2018).

¹¹5 C.F.R. § 2634.904(a)(1).

¹²Office of Government Ethics, *Determining Which Positions Should File a Confidential Financial Disclosure Report: A Worksheet* (2016).

¹³5 C.F.R. § 2634.904(b).

¹⁴5 C.F.R. § 2634.907.

¹⁵5 C.F.R. § 2634.901(b).

¹⁶5 C.F.R. § 2634.905.

¹⁷For NSF see 5 C.F.R. pt. 5301, for HHS see 5 C.F.R. pt. 5501, and for the Department of Agriculture see 5 C.F.R. pt. 8301.

¹⁸5 C.F.R. § 5501.106. This requirement does not apply to Special Government Employees. A significantly regulated organization (SRO) is an organization for which the sales of FDA-regulated products constitute at least 10 percent or more of annual gross sales in the prior fiscal year or its operations are predominately in fields regulated by FDA, or if its research, development, or other business activities are reasonably expected to result in the development of FDA-regulated products. See HHS Supplemental Standards of Ethical Conduct, 5 C.F.R. § 5501.101(c)(2).

¹⁹Report of Prohibited Financial Interests for Employees of the Food and Drug Administration (HHS-717-2).

²⁰5 C.F.R. § 5502.107. This requirement does not apply to Special Government Employees. NIH employees use Confidential Report of Financial Interests in Substantially Affected Organizations for Employees of the National Institutes of Health (HHS-717-1).

²¹5 C.F.R. § 5501.109.

²²5 C.F.R. § 5501.110. Senior employee means the Director and the Deputy Director of NIH; members of the senior staff within the Office of the Director who report directly to the NIH Director; the Directors, the Deputy Directors, Scientific Directors, and Clinical Directors of each Institute and Center within NIH; Extramural Program Officials who report directly to an Institute or Center Director; and any employee of equivalent levels of decision-making responsibility who is designated as a senior employee by the designated agency ethics official or the NIH Director, in consultation with the designated agency ethics official.

²³Conflict-of-Interests and Confidentiality Statement for NSF panelists (NSF form 1230P) and NSF Advisory Committee Members (NSF form 1230A).

²⁴18 U.S.C. § 202.

²⁵18 U.S.C. § 208(a).

²⁶Due to the nature of their appointments, SGEs who are required to file confidential reports do not file annual reports. Instead, these SGEs must file new entrant reports (covering the preceding 12 months) within 30 days of each appointment or reappointment. 5 C.F.R. § 2634.903(a).

²⁷5 U.S.C. §§ 13103(d), 13103(f)(3); 5 C.F.R. § 2634.904(a)(2)(ii).

²⁸5 C.F.R. § 2634.903(a)-(b)(1).

²⁹5 U.S.C. § 13103(f)(3); 5 C.F.R. § 2634.904(a)(2)(ii).

³⁰5 C.F.R. § 2634.903(b)(3).

³¹5 C.F.R. § 2634.904(b).

³²U.S. Office of Government Ethics, *Results from the Annual Agency Ethics Program Questionnaire CY23: A Snapshot of the Executive Branch Ethics Program* (Washington D.C.).

³³National Academy of Public Administration, *The STOCK Act: An Independent Review of the Impact of Providing Personally Identifiable Financial Information Online* (Washington, D.C., March 2013).

³⁴See current guidance Office of Government Ethics, *Public Financial Disclosure Guide: OGE Form 278E*, (Washington, D.C.: Jan. 2024) and *Confidential Financial Disclosure Guide: OGE Form 450*, Washington, D.C.: Oct. 2023).

³⁵For guidance on reporting virtual currency, see Office of Government Ethics, *LA-18-06: Guidance for Reporting Virtual Currency on Financial Disclosure Reports* (Washington, D.C.: June 18, 2018). For legal advisory on digital asset ownership, see Office of Government Ethics, *LA-23-12: Identifying and Preventing Violations of 18 U.S.C. § 208 Arising from Digital Asset Ownership* (Washington, D.C.: Sept. 27, 2023).

³⁶OGE guides are linked on its website. [USOGE | Analyzing Potential Conflicts of Interest](#).

³⁷OGE, *Conflicts of Interest Considerations: Assets* (Washington D.C.: Aug. 2024).

³⁸OGE, *Conflicts of Interest Considerations: Business or Farm Ownership* (Washington, D.C.: Aug. 2024), *Conflicts of Interest Considerations: Law Firm or Consulting Employment* (Washington, D.C.: Aug. 2024).

³⁹5 C.F.R. §§ 2640.103(d)-(e); 2640.301-302.

⁴⁰5 U.S.C. § 13104(f). Under a qualified blind trust, an independent institution manages and makes investment decisions involving an employee’s assets without the employee’s knowledge. A qualified diversified trust is similar, but holds a portfolio of market securities that, among other things, are not concentrated in an economic or geographic sector.

⁴¹President’s Commission on Federal Ethics Law Reform, “To Serve with Honor” (Washington, D.C.: March 9, 1989).

⁴²Executive Order No. 12668, § 2, 54 Fed. Reg. 3979 (Jan 27, 1989).

⁴³See Office of Government Ethics, *Report on Improvements to the Financial Disclosure Process for Presidential Nominees* (Washington, D.C.: April 2001) as required by Pub. L. No. 106-293, § 3 (2000).

⁴⁴See Office of Government Ethics, *Report to Congress Evaluating the Financial Disclosure Process for Employees of the Executive Branch, and Recommending Improvements of It* (Washington, D.C.: March 2005) as required by Pub. L. No. 108-458, § 8403 (2004).

⁴⁵See Office of Government Ethics, *To Amend the Ethics in Government Act of 1978 (5 U.S.C. App.) to Modernize the Financial Disclosure Process for Federal Personnel, and for Other Purposes* (Washington, D.C.: Apr. 22, 2008).

⁴⁶National Academy of Public Administration, *The STOCK Act: An Independent Review of the Impact of Providing Personally Identifiable Financial Information Online* (Washington, D.C., March 2013).

⁴⁷Pub. L. No. 112-178, § 2 (2012) *codified at* 5 U.S.C. § 13107 note.

⁴⁸The Commission report also made recommendations that addressed issues related to the judicial and legislative branches, in addition to the executive branch. We have not included those recommendations here because our report is focused on the executive branch.

⁴⁹NAPA also made recommendations about certain provisions in the STOCK Act and other issues not specific to the executive branch financial disclosure program. We did not review those recommendations.

⁵⁰GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sep. 2014), principle 9.

⁵¹GAO-14-704G, principle 13.

⁵²Pub. L. No. 101-194 (Nov. 30, 1989), *codified at* 5 U.S.C. § 13110(b).

⁵³31 U.S.C. § 901.