



United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

Director

July 16, 2003

The Honorable J. Dennis Hastert
Speaker
United States House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

The Office of Government Ethics is pleased to submit for introduction and referral to the appropriate committee the enclosed proposal "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."

This proposal contains language that will streamline and simplify the public financial disclosure requirements applicable to senior officials of all three branches of the Federal Government. A public financial disclosure system for these officials has been in effect for almost 25 years. It has worked well but, like many processes, the system is in need of updating to ensure its continued effectiveness in light of practical experience and application. These proposed amendments will serve to encourage qualified citizens to answer the call to public service but will not sacrifice the goals of public financial disclosure or deny necessary information to those responsible for determining whether a conflict of interest exists, or jeopardize public confidence in that review process.

The proposed amendments reflect the many changes that have occurred over the last 25 years in the manner and nature of investment throughout the American public, the practical necessity of increasing threshold reporting values to match the changed economy, and the experiences of those ethics professionals who have administered this system in identifying areas of overlap and redundancy. The proposed amendments will continue and enhance the goals enunciated at the time the requirements were first instituted: to increase public confidence; to demonstrate the integrity of Government officials; to deter conflicts of interest from arising; to deter persons whose personal finances would not bear up to public scrutiny from entering public service; and to better enable the public to judge an official's performance in light of his or her outside interests.

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This proposal also takes into account concerns regarding certain aspects of the Presidential Appointments Improvement Act of 2002 (S. 1811), such as those expressed by Senator Levin in S. Rep. No. 107-152. As proposed, S. 1811 would have de-coupled Executive branch public financial disclosure requirements from those for officers and employees of the two other branches of Government, and partly for that reason was not enacted by the 107th Congress. However, as drafted, the attached proposed amendments to Title I retain a single, Government-wide system of public financial disclosure, continue the level playing field of the system that has been in place for the past 14 years, and represent a bi-partisan, Government-wide approach to public financial disclosure that preserves the equanimity of the current system.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this draft bill to the Congress. The Administration is currently refining additional proposed legislation that will address and improve other aspects of the Presidential Appointments process. That proposed legislation will be transmitted to you shortly under separate cover.

A similar letter is being sent to the President of the Senate.

Sincerely,



Amy L. Comstock

Enclosure

cc: The Honorable Thomas M. Davis III
Chairman
Committee on Government Reform
United States House of Representatives
Washington, DC 20515