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

October 29, 2007

The Honorable Carl S. Levin
Chairman
Committee on Armed Services
United States Senate
228 Senate Russell Office Building
Washington, D.C. 20510-6050

The Honorable Ike N. Skelton
Chairman
Committee on Armed Services
United States House of Representatives
2120 Rayburn House Office Building
Washington, D.C. 20515-0635

Dear Chairman Levin and Chairman Skelton:

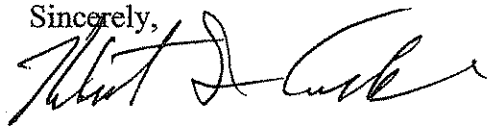
In anticipation of the conference on H.R. 1585, the "National Defense Authorization Act for Fiscal Year 2008," the Office of Government Ethics respectfully submits for your consideration its views on Section 863 of the Senate version of the bill.

The Office of Government Ethics supports Section 863 of H.R. 1585, as passed by the Senate, but recommends that additional information be gathered for this report. Section 863 would require the Comptroller General to submit a report to the Committees on Armed Services of the Senate and the House of Representatives on the internal ethics programs of major defense contractors. The Office of Government Ethics suggests that the Comptroller General also should report the extent to which the major defense contractors' internal ethics programs include: (1) disclosure of personal financial interests and outside employment by key personnel performing work for the Government; (2) conflict mitigation measures for addressing any personal conflicts of interest of employees in connection with their work on Department of Defense contracts; and (3) procedures for reporting these personal conflicts of interest and any mitigation measures to the Department of Defense. These additional data would be useful in determining to what extent contractors' internal ethics programs are comparable to those in the executive branch.

Thank you for your consideration of our views. If we can be of further assistance in this matter, please do not hesitate to contact Shelley Finlayson of this office at (202) 482-9314.

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 letter to the Congress.

Sincerely,



Robert I. Cusick
Director

cc: The Honorable John McCain, Ranking Member
Committee on Armed Services, United States Senate

The Honorable Duncan L. Hunter, Ranking Member
Committee on Armed Services, United States House of Representatives