

Information Paper

19 April 2012

SUBJECT: Stop Trading on Congressional Knowledge (STOCK) Act

1. **Purpose.** To provide information on certain provisions of the recently-enacted STOCK Act.

2. **Background.** On 4 April 2012, the President signed into law the STOCK Act. At this time, the Office of Government Ethics (OGE) is working on implementing regulations. However, there are two provisions that require immediate compliance, because they became effective upon the date this law was enacted.

3. **Applicability.**

a. Section 13 of the STOCK Act now requires General Officers (GO) and holders of Presidentially Appointed, Senate Confirmed (PAS) positions to report mortgage information about any residence they may own on Schedule C, Part I, Liabilities, of the OGE Form 278. Section 13 does not apply Senior Executive Service (SES) employees.

(1) Previously, information regarding a mortgage on a personal residence was excluded from the reporting requirement unless the property was rented or held as investment property. GOs and PASs are now required report the name of the lender, the terms and conditions of the loan, and make a notation as to whether the mortgage is on a personal residence or an investment property. However, they are not required to disclose the address of the residence secured by the mortgage.

(2) If a GO or PAS has already submitted their OGE Form 278, and it was submitted prior to 4 April 2012, it does not need to be amended to include mortgage information. However, reports submitted on or after 4 April 2012 will need to include this information. Note: this may require that reports already submitted, but submitted after 4 April, will need to be amended to include mortgage information.

b. Section 17 of the STOCK Act requires all OGE 278 filers (GO/PAS/SES) to provide written notification of post-government employment negotiations or arrangements with a non-Federal entity. The requirements of this section are triggered when they directly negotiate or enter into an agreement with a non-Federal entity for future employment or compensation. The signed notification must be provided to their ethics counselor within 3 business days after the commencement of the negotiation or agreement. A sample disqualification notice is attached.

c. In addition to the above two sections, the STOCK Act requires posting of all 2012 OGE 278 reports on the agency's website. Therefore, filers should not include information that is not required to be reported on the OGE 278, such as benefits received from the Federal Government (e.g., military or federal pay, retired pay, or TSP), account numbers, home addresses, names of spouses, or family members.

NOTIFICATION OF POST-EMPLOYMENT NEGOTIATION OR AGREEMENT AND RECUSAL STATEMENT

Section 17 of the Stop Trading on Congressional Knowledge Act of 2012 (STOCK Act) requires all OGE 278 filers to file a statement notifying their agency ethics official of any negotiation for or agreement of future employment or compensation with a non-federal entity within three business days after commencement of the negotiation or agreement. Employees who file this notification statement also must file with their agency ethics official a recusal statement whenever there is a conflict of interest or appearance of a conflict of interest with the entity. In any such case, the employee must recuse, unless the employee has first obtained a written waiver or authorization as discussed in 5 C.F.R. § 2635.605, or qualifies for a regulatory exemption pursuant to 18 U.S.C. § 208(b)(2).

NOTIFICATION OF POST-EMPLOYMENT NEGOTIATION OR AGREEMENT

Name of Employee	
Agency/Office	
Date Negotiation or Agreement Commenced	
Name(s) of Non-Federal Entity or Entities Disclose each non-federal entity with which you are negotiating for or have an agreement of future employment or compensation	

RECUSAL STATEMENT

For as long as I am negotiating for or have an agreement of employment or compensation with any entity listed above, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of that entity, unless I first obtain a written waiver or authorization consistent with 5 C.F.R. § 2635.605, or qualify for a regulatory exemption pursuant to 18 U.S.C. § 208(b)(2).

Employee Signature	Date Submitted
Agency Ethics Official Signature	Date Received