new executive branchwide confidential disclosure system took effect in the fall of 1992, the overall system has worked well according to the agency feedback that OGE has received. This is particularly so since OGE and the agencies have been flexible within the regulatory framework, allowing for appropriate limitations on coverage, exceptions and alternative forms where justified. Further, OGE is committed to a future fundamental reassessment of the basic structure of the confidential disclosure system. For now, though, the redesigned proposed OGE Form 450 represents urgently needed improvements and updates to the existing Standard Form 450 which it will replace.

As noted, once finally approved by OMB and adopted by OGE, the new OGE form will replace the existing SF 450 Executive Branch Personnel **Confidential Financial Disclosure** Report. The SF 450 collects, as will the future OGE Form 450, information required under OGE's executive branchwide regulatory provisions. See subpart I of 5 CFR part 2634. The new OGE Form 450 will serve, as does the current SF 450, as the uniform report form for collection, on a confidential basis, of financial information required by the OGE regulation from certain new entrant and incumbent employees of the executive branch departments and agencies in order to allow ethics officials to conduct conflict of interest reviews and to resolve any actual or potential conflicts found.

The basis for the OGE regulation and the report form is two-fold. First, section 201(d) of Executive Order 12674 of April 12, 1989 (as modified by Executive Order 12731 of October 17, 1990) makes OGE responsible for the establishment of a system of nonpublic (confidential) financial disclosure by executive branch employees to complement the system of public disclosure under the Ethics in Government Act of 1978 (the "Ethics Act''), as amended, 5 U.S.C. appendix. Second, section 107(a) of the Ethics Act further provides authority for OGE as the supervising ethics office for the executive branch of the Federal Government to require that appropriate executive agency employees file confidential financial disclosure reports, "in such form as the supervising ethics office may prescribe." The current SF 450, together with the underlying OGE confidential disclosure regulation, both initially adopted in 1992 after appropriate clearances from OMB as well as the General Services Administration (GSA) for the standard form, constitute the form OGE has

prescribed for such confidential financial disclosure in the executive branch. The Office of Government Ethics recently sought and subsequently obtained a limited paperwork renewal from OMB as to the existing SF 450 in order to allow sufficient time for OGE to develop and clear the new OGE Form 450 which is the subject of this notice. See 60 FR 34258-34259 (June 30, 1995). The new OGE form will not require GSA clearance, since it is not a standard (or optional) form under the GSA program. The Office of Government Ethics will provide further information in the future to the agencies and the public about the details of phasing in the new form, once it is finally cleared and adopted, and phasing out the existing standard form.

Since the OGE's financial disclosure regulation at 5 CFR part 2634 and the reporting format were adopted in 1992, there have been certain revisions to each. The most significant of these is the determination of OGE to exclude from general executive branch confidential financial disclosure the reporting of cash accounts in depository institutions (including banks), money market mutual funds and accounts and U.S. Government obligations and securities. See 58 FR 63023-63024 (November 30, 1993). The Office of Government Ethics has directed executive departments and agencies to notify all filers of this change, which is not reflected on the SF 450 itself. The new OGE replacement form will reflect that change, as well as various other changes and improvements in the reporting format, to make it clearer and more userfriendly. A more complete set of instructions for filling out the form is included in the draft OGE Form 450 and helpful examples are set forth on the reporting parts.

The Office of Government Ethics expects that the new form should be ready, after OMB clearance, for dissemination to executive branch departments and agencies early next year. As noted above, the Office of Government Ethics will provide appropriate guidance and phase-in time to departments and agencies once the new form is available. The new form will be made available in paper, on electronic disk and on OGE's electronic bulletin board entitled "The Ethics Bulletin Board System'' (TEBBS). In addition, OGE will work on making available a future electronic version of the form, to allow employees the option of preparing it on a computer. The Office of Government Ethics also intends to permit departments and agencies to develop or utilize electronic versions of the form on their own,

provided that they precisely duplicate the paper original to the extent possible.

Since 1992, various agencies have developed, with OGE review/approval, alternative reporting formats, such as certificates of no conflict, for certain classes of employees. Other agencies provide for additional disclosures pursuant to independent organic statutes and in certain other circumstances when authorized by OGE. However, the future OGE Form 450, as successor to the current SF 450, will remain the uniform executive branch report form for most of those executive branch employees who are required by their agencies to report confidentially on their financial interests. The confidential report form is to be filed by each reporting individual with the designated agency ethics official at the executive department or agency where he or she is or will be employed.

Reporting individuals are regular employees whose positions have been designated by their agency as requiring confidential financial disclosure in order to help avoid conflicts with their assigned responsibilities; additionally, all special Government employees (SGEs) are generally required to file. Agencies may, if appropriate under the OGE regulation, exclude certain regular employees or SGEs as provided in 5 CFR 2634.905. Reports are normally required to be filed within 30 days of entering a covered position (or earlier if required by the agency concerned), and again annually if the employee serves for more than 60 days in the position. As indicated in §2634.907 of the OGE regulation, the information required to be collected includes assets and sources of income, gifts and travel reimbursements, liabilities, employment agreements and arrangements, and outside positions, subject to certain thresholds and exclusions.

Most of the persons who file this report form are current executive branch Government employees at the time they complete the forms. However, some filers are private citizens who are asked by their prospective agency to file a new entrant report prior to entering Government service in order to permit advance checking for any potential conflicts of interest and resolution thereof by agreement to recuse, divest, obtain a waiver, or take other remedial steps. Based on OGE's annual agency ethics questionnaire responses, approximately 285,000 SF 450 report forms were filed during 1994 throughout the executive branch. Of these, OGE estimates that no more than between 5% and 10%, or some 14,250 to 28,500 per year, are filed by private citizens whose agencies require that