



SECRETARY OF THE ARMY
WASHINGTON

17 April 2018

MEMORANDUM FOR SECRETARY OF THE DEFENSE

SUBJECT: SECRETARY OF THE ARMY ESPER, AMENDED DISQUALIFICATION STATEMENT AND SCREENING ARRANGEMENT

1. This memorandum amends the Disqualification Statement and Screening Arrangement I executed on 28 November 2017, principally to notify you that I no longer hold the conflicting interests directed for divestment in the Ethics Agreement I executed on 26 July 2017. With the assistance of Army Ethics Officials, I want to continue to ensure that I do not participate in certain matters with parties with which I had a personal or business relationship.

2. RECUSAL OBLIGATIONS

a. STATUTORY REQUIREMENTS.

1) On 7 February 2018, I divested all my interests in Raytheon Company (Raytheon) stock, as required by 18 U.S.C. § 208(a) and my Ethics Agreement. On 12 February 2018, the Office of the Army General Counsel notified the Office of Government Ethics (OGE) and the Department of Defense Standards of Conduct Office (SOCO) of this divestiture and compliance with my Ethics Agreement. I will continue to not participate personally and substantially in any "particular matter" that has a direct and predictable effect on my remaining financial interests or those of any persons whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

2) Additionally, because of my continued participation in Raytheon's deferred compensation plan, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness of Raytheon to provide these benefits, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

SUBJECT: SECRETARY OF THE ARMY ESPER, DISQUALIFICATION STATEMENT AND SCREENING ARRANGEMENT

b. REGULATORY & ETHICS PLEDGE REQUIREMENTS.

1) For a period of two years beginning on November 20, 2017, I will continue to not participate personally and substantially in any particular matter involving specific parties that are directly and substantially related to Raytheon, including regulations and contracts. While it is possible to receive a waiver of the Administration's Ethics Pledge (Executive Order 13770) or, during my first year in office, to obtain the appropriate authorization from the agency designee pursuant to 5 C.F.R. 2635.502(d), as stated in my 21 September 2017 letter to the Chairman of the Senate Armed Services Committee, I will not seek or accept waivers to this two year restriction.

2) For a period of two years beginning on November 20, 2017, I will continue to not participate in any particular matter on which I lobbied within the two years before my appointment or participate in the specific issue area in which that particular matter falls, pursuant to paragraph 7 of my Ethics Pledge. As stated in my 21 September 2017 letter to the Chairman of the Senate Armed Services Committee, I will not seek or accept waivers to this two year restriction.

3) For a period of one year after my resignation from the Lake Braddock Athletic Boosters Club, I will continue to not participate personally and substantially in any particular matter involving specific parties in which I know this Club is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

3. SCREENING ARRANGEMENT.

To help ensure that I do not participate in matters relating to these entities, I have taken or will take the following steps:

a. I have instructed COL (b) (6) as my Military Assistant, or his successor, to screen all matters directed to my attention that involve outside entities or that require my participation to determine if they involve any of the entities or organizations listed above.

b. If COL (b) (6) or his successor determines that any particular matter may directly and predictably affect a financial interest in any entity or organization listed above, that any such entity or organization is or represents a party to a particular matter involving specific parties, he/she will refer them to Under Secretary of the Army Ryan D. McCarthy for action or assignment, or another appropriate senior Army official, without my knowledge or involvement.

c. To help ensure that I do not inadvertently participate in matters from which I should be recused, I am directing COL (b) (6) to seek the assistance of an ethics

SUBJECT: SECRETARY OF THE ARMY ESPER, DISQUALIFICATION STATEMENT
AND SCREENING ARRANGEMENT

official in the Army Office of General Counsel if he/she is uncertain whether I may participate in a matter.

4. In consultation with an Army ethics official, I will again revise and update this memorandum if warranted by changed circumstances, including changes in my financial interests, my personal or business relationships, or the nature of my official duties. I will provide a copy of the revised screening arrangement memorandum to you, Under Secretary McCarthy, COL (b) (6) and the General Counsel.



Mark T. Esper
Secretary of the Army

cc:
Under Secretary of the Army
Army General Counsel
Deputy General Counsel (Ethics & Fiscal)
Special Assistant to the Secretary
Executive Officer



GENERAL COUNSEL OF THE DEPARTMENT OF THE ARMY
104 ARMY PENTAGON
WASHINGTON, DC 20310-0104

SAGC

17 April 2018

MEMORANDUM FOR Secretary of the Army

MR. SECRETARY,

SUBJECT: Amended Disqualification Statement and Screening Arrangement

On 12 February 2018, you divested all of your interests in Raytheon Company stock as required by 18 U.S.C. §208 and your Ethics Agreement. In light of this divestment, attached for your signature is an amended disqualification statement and screening arrangement, reflecting your changed status under the ethics provisions. My office will ensure this amended statement is given to the Department of Defense Standards of Conduct Office who will in turn provide it to the Secretary of Defense. This will fulfil your promise in your 28 November 2017 disqualification statement to notify the Secretary of Defense once you no longer held the Raytheon stock.

v/r Jim

Encl.

James E. McPherson
General Counsel

MR. SECRETARY,

*ROUTINE "HOUSEKEEPING" FROM
YOUR RAYTHEON DIVESTMENT -*

v/r Jim