



SECRETARY OF DEFENSE  
1000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1000

1/7/2019

MEMORANDUM FOR DESIGNATED AGENCY ETHICS OFFICIAL

SUBJECT: UPDATED SCREENING ARRANGEMENT

This memorandum is to inform you of the screening arrangement I have updated and implemented, with the assistance of the Standards of Conduct Office, to help ensure that I do not participate in particular matters in which I have a financial interest or a personal or business relationship. My obligations are set forth in the Ethics Agreement that I signed prior to my confirmation as Deputy Secretary of Defense by the United States Senate. I have not received a waiver of the former employer provisions of the Administration's Ethics Pledge. These updated arrangements are effective immediately and supersede those dated July 25, 2017.

**ETHICS AGREEMENT OBLIGATIONS**

*For two years beginning on July 18, 2017, I am disqualified from participating personally and substantially in any particular matter<sup>1</sup> involving specific parties that is directly and substantially related to the Boeing Company ("Boeing"), including regulations and contracts, unless I receive the appropriate waiver of the Administration's Ethics Pledge (Executive Order 13770).*

*For the duration of my service as Deputy Secretary, I am disqualified from participating personally and substantially in any particular matter involving specific parties in which I know the Boeing Company is a party or represents a party, unless the Designated Agency Ethics Official (DAEO)<sup>2</sup> first authorizes my participation. This disqualification derives from my Ethics Agreement and my commitment to ensure that participation in a matter involving Boeing would not cause a reasonable person to question my impartiality. If I am not authorized to participate, another senior Defense official shall act on the matter.*

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<sup>1</sup> A "particular matter" is a deliberation, decision, or action that is focused upon the interest of specific persons, or a discrete and identifiable class of persons. The term may include matters that do not involve formal parties and may extend to legislation or policy making that is narrowly focused on interests of a discrete and identifiable class of persons. It does not, however, cover consideration or adoption of broad policy options directed to the interests of a large and diverse group of persons. Similarly, the term would not include broad budget and strategy discussions about acquiring or improving a general defense capability that is not specific to a particular weapons system or program. Particular matters typically include applications, contracts, grants, claims, controversies, or licenses. In addition to the "particular matters involving specific parties," such matters shall also include any meeting or other communication with Boeing relating to the performance of my official duties, unless the communication applies to a particular matter of general applicability and participation in the meeting or other event is open to all interested parties.

<sup>2</sup> "DAEO" refers to the DoD General Counsel, or the Director, Standards of Conduct Office who is designated as the DoD Alternate DAEO.

None of these interests and restrictions precludes me from participating in a personal or official capacity in any social, ceremonial, or other public affairs events that include personnel from Boeing. Similarly, when not taking any official action, I may be allowed to attend meetings and receive information regarding this company.

## SCREENING ARRANGEMENT

To help ensure that I do not participate in matters relating to these entities, I am taking the following steps:

- I am hereby directing my Chief of Staff, Executive Secretary, Military Assistants, and other designated Administrative Assistants to screen all matters directed to my attention that involve outside entities, or that require my participation, to determine if they involve Boeing.
- If any screener determines that Boeing is or represents a party to the matter, he or she will refer the matter, without my knowledge or involvement, to an appropriate alternate senior Defense official for action or assignment. If the alternate official believes my participation in a particular matter is important, he or she will contact you via the DoD Standards of Conduct Office (SOCO) to determine whether I may be authorized to participate, where the interest of the Government in my participation outweighs any appearance of impropriety.
- In order to make sure that I do not inadvertently participate in matters from which I should be recused, I am directing each of my screeners to seek the assistance of SOCO if he or she is uncertain whether I may participate in a matter.

In consultation with SOCO, I will 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.

The DAEO and SOCO may issue additional guidance on standards and procedures to personnel implementing this screening arrangement.



Patrick M. Shanahan  
Acting

cc:

Chief of Staff, Secretary of Defense  
Chief of Staff, Deputy Secretary of Defense  
Executive Secretary  
Immediate Office Staff (Secretary and Deputy Secretary of Defense)  
DoD Standards of Conduct Office