



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

JAN 22 2021

## MEMORANDUM FOR DESIGNATED AGENCY ETHICS OFFICIAL

SUBJECT: Ethics Obligations and Screening Arrangement

This memorandum is to inform you of the screening arrangement I have implemented with the assistance of the Standards of Conduct Office (SOCO) to implement my ethics obligations and ensure that I do not participate in particular matters<sup>1</sup> 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 by the United States Senate for the position of Secretary of Defense and the President's Ethics Pledge of January 20, 2021.

It is my understanding that none of the restrictions described below will preclude me from participating in a personal or official capacity in any social, ceremonial, or other public affairs events that include personnel from any of these organizations or entities. Similarly, when not taking any official action, I may be allowed to attend meetings and receive information regarding these entities for situational awareness, without participating or providing comment and direction. However, I will consult with SOCO prior to doing so. I will be mindful of not only the legal requirements that govern my conduct, but also of the appearances to ensure that the public has no reason to question my impartiality.

### ETHICS OBLIGATIONS

#### FORMER EMPLOYERS AND CLIENTS

##### *Raytheon Technologies*

In my Senate confirmation hearing I agreed that I will not participate personally and substantially in any particular matter involving specific parties in which I know **Raytheon Technologies** is a party or represents a party for **four years** from the date of my appointment as the Secretary of Defense. While I do not expect that a waiver will be necessary, should an unanticipated circumstance arise that may warrant a waiver, I will consult with a career ethics official in your office and consider available alternatives before seeking any waiver or authorization under the ethics rules.

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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. Particular matters typically include applications, contracts, grants, claims, controversies, or licenses.



## ***Other Organizations***

In addition, pursuant to Section 1, Paragraph 2 of the President's Ethics Pledge of January 20, 2021, unless I am granted a waiver pursuant to Section 3, I will not for a period of **two years** from the date of my appointment participate in a particular matter involving specific parties that is directly and substantially related to my former employers or former clients,<sup>2</sup> including regulations and contracts. This restriction applies to the following organizations.

- **Booz Allen Hamilton Holding Company**
- **Austin Strategy Group, LLC**
- **Tenet Healthcare Corporation**
- **Pine Island Capital Partners, LLC**
- **Nucor Corporation**
- **Guest Services, Inc.**
- **Carnegie Corporation**
- **Auburn University**
- **Fidelity Investments**
- **JP Morgan**

## **STOCK HOLDINGS**

Until I have forfeited or divested all of my interests in the organizations listed below, as required by 18 U.S.C. § 208(a), I will not participate personally and substantially in a particular matter that to my knowledge has a direct and predictable<sup>3</sup> effect on the financial interests of the organizations listed below, 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).<sup>4</sup> Since the organizations listed below are also my former employers, I understand that the recusal periods and waiver requirements described in the section above will continue to apply to the organizations listed below.

- **Booz Allen Hamilton Holding Corporation**
- **Raytheon Technologies**
- **Tenet Healthcare Corporation**
- **Nucor Corporation**

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<sup>2</sup> Directly and substantially related to a former employer or former client means matters in which the former employer or a former client is a party or represents a party.

<sup>3</sup> "Direct" means there is a close causal link between any decision or action to be taken and any expected effect on the financial interest, even though it does not occur immediately. "Predictable" means there is a real, as opposed to a speculative, possibility that the matter will affect the financial interest.

<sup>4</sup> Since these organizations were also prior employers, the one year, two year and four year recusals periods also apply

As required by my Ethics Agreement, I anticipate that the divestiture process for **Booz Allen Hamilton Holding Corporation** and **Raytheon Technologies** will be completed within 90 days of my appointment and the divestiture process for **Tenet Healthcare Corporation** and **Nucor Corporation** will be completed within 120 days of my appointment. I will notify you when I no longer hold these interests.

### **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 any of the following organizations during the relevant time periods.

#### **FOR TWO YEARS FROM MY APPOINTMENT DATE**

- **Booz Allen Hamilton Holding Company**
- **Austin Strategy Group, LLC**
- **Tenet Healthcare Corporation**
- **Pine Island Capital Partners, LLC**
- **Nucor Corporation**
- **Guest Services, Inc.**
- **Carnegie Corporation**
- **Auburn University**
- **Fidelity Investments**
- **JP Morgan**

#### **FOR FOUR YEARS FROM MY APPOINTMENT DATE**

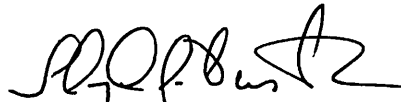
- **Raytheon Technologies**

If any screener determines that during the applicable time period any of these organizations is or represents a party to the matter, or that the matter may otherwise directly and predictably affect the financial interests of these organizations, he or she will refer the matter, without my knowledge or involvement, to the Deputy Secretary of Defense or other appropriate senior Defense official for action or assignment.

To ensure that I do not inadvertently participate in matters from which I should be recused, I am hereby directing each of my screeners to seek assistance from SOCO if he or she is uncertain whether I may participate in a matter.

The Chief of Staff will ensure that all members of my immediate office staff, to include the Executive Secretary, Military Assistants, and other designated Administrative Assistants receive a copy of this document as part of their onboarding process.

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



Lloyd J. Austin

cc:

Deputy Secretary of Defense

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