



DEPUTY SECRETARY OF DEFENSE  
1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010

JUL 25 2017

MEMORANDUM FOR SECRETARY OF DEFENSE

SUBJECT: Deputy Secretary of Defense Screening Arrangements

This memorandum is to inform you of the screening arrangement I have implemented, with the assistance of the Designated Agency Ethics Official (DAEO)<sup>1</sup>, to help ensure that I do not participate in official 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 by the United States Senate. I have not received a waiver of the former employer provisions of the Administration's Ethics Pledge.

For the time periods listed, this screening shall cover the following organizations and entities:

The Boeing Company (Boeing)

*Until I have divested or forfeited all my interests in Boeing stock*, I am disqualified from participating personally and substantially in any particular matter<sup>2</sup> that would have a direct and predictable<sup>3</sup> effect on the financial interests of Boeing. I anticipate full divestiture will occur no later than October 16, 2017, and will provide notification when I no longer hold any potentially conflicting equity interest in Boeing.

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

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<sup>1</sup> "DAEO" refers to the DoD General Counsel, or the Director, Standards of Conduct Office who is designated as the DoD Alternate DAEO

<sup>2</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.

<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.



my first year in office, the appropriate authorization from the DAEO pursuant to 5 C.F.R. 2635.502(d).<sup>4</sup>

*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 DAEO* 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, the Secretary of Defense or his designate shall act on the matter.

#### The University of Washington

I held a position as a board member of the University of Washington. Unless the DAEO authorizes my participation, for one year beginning on July 18, 2017, I am disqualified from participating in any particular matter involving the University of Washington where the circumstances would cause a reasonable person with knowledge of the relevant facts to question my impartiality. All such matters shall be forwarded to the DAEO. If the DAEO determines that the interest of the Government in my participation outweighs any appearance of a lack of impartiality, he will make a written determination specifically authorizing my participation in the particular matter. If I am not authorized to participate, the Secretary of Defense or his designee shall act on the matter.

#### Other Companies

I am disqualified from participating personally and substantially in any particular matter that would have a direct and predictable effect on the financial interests of the companies listed in TAB A until I have divested my stock. I anticipate this will occur no later than October 16, 2017, and will provide notification when I no longer hold any potentially conflicting interest in these companies.

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 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.

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

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<sup>4</sup> In addition to the "particular matters involving specific parties" described in FN 2, 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.

- I have directed my staff 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.
- If my staff determines that any of these entities or organizations is or represents a party to the matter, they will refer the matter to the DAEO without my knowledge or involvement.
- In order to make sure that I do not inadvertently participate in matters from which I should be recused, my staff will seek the assistance of the DAEO if uncertain whether or not I may participate in a matter.

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 may issue additional guidance on standards and procedures to personnel implementing these screening arrangements.

A handwritten signature in blue ink, appearing to read "Robert M. Stark". The signature is fluid and cursive, with a large initial "R" and "S".

Attachment:  
As stated

cc:  
Chief of Staff  
Immediate Office Staff  
Executive Secretary  
General Counsel (DAEO)  
Standards of Conduct Office

## ATTACHMENT A

1	AbbVie (ABBV)
2	Accenture (ACN)
3	Alfa Laval ADR (ALFVY)
4	Allete Inc (ALE)
5	Ashtead Group ADR (ASHTY)
6	Assa Abloy ADR (ASAZY)
7	Astrazeneca PLC (AZN)
8	Atlas Copco ADR (ATLKY)
9	Avery Dennison (AVY)
10	BAE Systems ADR (BAESY)
11	Baxter International (BAX)
12	Bayer ADR (BAYRY)
13	BBA Aviation ADR (BBAVY)
14	Berkshire Hathaway Class B (BRKB)
15	Boeing Company (BA) (including the Boeing Stock Fund)
16	BP PLC (BP)
17	CA Inc. (CA)
18	CACI International (CACI)
19	Coherent (COHR)
20	Compass Group ADR (CMPGY)
21	CSL LTD ADR (CSLLY)
22	Cummins Inc (CMI)
23	Dassault Systems ADR (DASTY)
24	Edison International (EIX)
25	Edwards Lifesciences (EW)
26	Electronics For Imaging (EFII)
27	Emcor (EME)
28	Emerson Electric (EMR)
29	Enersys (ENS)
30	Entergy Corp (ETR)
31	Fastenal (FAST)
32	Fresenius SE&KGAA ADR (FSNUY)
33	General Motors (GM)
34	GlaxoSmithKline (GSK)
35	Globus Medical (GMED)
36	Granite Construction (GVA)
37	Grifols SA ADR (GRFS)

38	Home Depot (HD)
39	Informa ADR (IFJPY)
40	Integra Lifesciences (IART)
41	Intel Corp (INTC)
42	International Business Machines (IBM)
43	Iridium Communications (IRDM)
44	KDDI Corp (KDDIY)
45	Komatsu ADR (KMTUY)
46	Korn/Ferry Intl (KFY)
47	L3 Technologies (LLL)
48	Linde AG ADR (LNEGY)
49	Matson (MATX)
50	Medtronic (MDT)
51	Mercury Systems (MRCY)
52	Merit Medical (MMSI)
53	Microsemi (MSCC)
54	Mitsui & Co ADR (MITSY)
55	Morgan Stanley (MS)
56	Motorola Solutions (MSI)
57	Nestle SA ADR (NSRGY)
58	Novartis AG (NVS)
59	Omnicell (OMCL)
60	Orbital ATK (OA)
61	Park24 Company LTD ADR (PKCOY)
62	Pfizer (PFE)
63	POSCO (PKX)
64	Procter & Gamble (PG)
65	Qualcomm Incorporated (QCOM)
66	Roche Holdings (RHHVF)
67	Roche Holdings Limited ADR (RHHBY)
68	Royal Dutch Shell (RDS/A)
69	Royal Dutch Shell ADR (RDSA)
70	SAP SE (SAP)
71	Shire ADR (SHPG)
72	Sinclair Broadcast (SBGI)
73	SK Telecom LTD (SKM)
74	Sonova Holdings ADR (SONVY)
75	Sony Corporation (SNE)
76	Stamps.com (STMP)
77	Sysco (SYY)
78	Sysmex ADR (SSMXY)

79	Total SA (TOT)
80	Total System Services (TSS)
81	Tyson Foods (TSN)
82	United Rentals (URI)
83	Valero Energy (VLO)
84	Verisk Analytics (VRSK)
85	Wolters Kluwer ADR (WTKWY)
86	Wolverine Worldwide (WWW)
87	WPP PLC ADR (WPPGY)