



DEPARTMENT OF THE NAVY
OFFICE OF THE GENERAL COUNSEL
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

AGC(E)04006
February 4, 2004

MEMORANDUM FOR DEPARTMENT OF THE NAVY ETHICS COUNSELORS

Subj: ANNUAL FINANCIAL DISCLOSURE REPORT (SF 278)

The Ethics in Government Act of 1978, 5 U.S.C. App., requires all SES personnel, Flag and General Officers, and certain other employees, to file a Public Financial Disclosure Report (SF 278) annually. The annual SF 278 must be completed, signed by the filer, and delivered to his or her supervisor or ethics counselor by May 15, 2004. Please remind each of your civilian filers of this requirement as soon as possible.

By separate correspondence, I will provide you with a list of your civilian filers as reflected in the AGC(E) SF 278 database. Please compare your list of filers with our list and inform us of any discrepancies by February 23, 2004. A separate memorandum for military filers is sent from the Navy and Marine Corps Judge Advocate Offices.

As a reminder, there is a \$200 fine for failure to meet the filing deadline. If a filer believes that he will need additional time to complete the report, please contact me as soon as possible to request an extension. I can grant an initial extension of up to forty-five (45) days for good cause. I can now also grant subsequent extensions of time not to exceed forty-five (45) days. Written requests for extensions should be submitted by the filer as soon as possible but not later than May 15, 2004. Filers who anticipate terminating employment on or before August 13, 2004, may request an extension not later than May 15, 2004, to file a combined annual/termination SF 278.

The March 2000 version of the SF 278 must be used. It supersedes the June 1994 version that can no longer be used. Reports filed on the old version should be returned to the filer with direction to refile using the current version of the SF 278. Ethics Counselors and filers may download the SF 278 from the OGE website (www.usoge.gov) or the AGC(E) website (www.ethics.navy.mil). **Please note that with respect to reporting gifts in Schedule B, Part II, the aggregate threshold was recently changed from \$260 to \$285. The exclusion amount for calculating such gifts has increased from \$104 to \$114.** The higher figures apply for the entire reporting period (calendar year 2003) for annual filers.

You are encouraged to provide filers with a copy of their SF 278 from calendar year 2002 in order to assist them with this year's filing. This office retains the original report for six years. Please let us know if you need a copy of a particular filer's report. Filers should be advised to carefully compare their calendar year 2002 and 2003 annual reports and ensure that any differences in the assets listed on Schedule A in 2003 are accurately reflected on Schedule B (Transactions) or otherwise adequately explained.

As noted above, absent an extension, the due date for filing the annual SF 278 is May 15, 2004. Since May 15, 2004 is a Saturday, forms received on Monday, May 17, 2004, will not be considered late. The report is considered filed when it is received by the agency, i.e., either the filer's supervisor or ethics counselor. To ensure that the filing date is accurately reflected on the report, supervisors or ethics counselors must fill in the date the SF 278 is received in the block entitled "Agency Use Only" in the lower right corner of the form.

The report must be reviewed within 60 days of filing. This means that your intermediate review must be completed within 60 days of filing unless you determine that additional information is required from the filer to complete your review. Ethics counselors should document and attach requests for additional information from the filer. Finally, ethics counselors should sign off on the report (including the date reviewed) in the "Comments of Reviewing Official" box at bottom of the cover page of the report. Do not use the "Signature of Designated Agency Ethics Official/Reviewing Official" box for this purpose. That space is reserved for AGC(E) signature upon final certification. By separate correspondence, I will distribute a list of common concerns we have noted in reviewing SF 278s.

Please forward the SF 278s to me as soon as your initial review is complete. Do not wait until all of your SF 278s are reviewed before you send them to me. Please ensure that a current position description also accompanies each report. **All SF 278s should be forwarded to me for certification as soon as possible after your initial review is completed but not later than July 19, 2004 (unless an extension of the filing time has been granted or you are awaiting additional information).** If I do not receive all of the SF 278s by that date, I will request periodic status reports for each of the SF 278s that have not been forwarded.

It is important that these annual reports (as well as any new entrant or termination reports), are filed on time and reviewed in detail. I thank you in advance for your cooperation in this regard. If you have any questions, please call me at (703) 604-8211 or Billie Spencer at (703) 604-8264.

D. L. Grimord
Assistant General Counsel (Ethics)