

From: Baune, Margaret
Sent: Monday, March 22, 2021 14:48
To: Lee, Nicholas
Subject: OGE Form 278, New Entrant Report: Ethics Advice

Nick,

Thank you for your assistance with the review of your OGE Form 278, Public Financial Disclosure, New Entrant Report. There are no apparent issues with the information you have reported. Please read and be mindful of the following ethics advice:

Conflicts of Interest/Disqualification

Under the Federal conflict of interest statute, 18 U.S.C. § 208(a), you may not participate personally and substantially, in your official Department capacity, in any particular matter in which, to your knowledge, you, or anyone whose interests are imputed to you, has a financial interest, unless you first obtain a written waiver, pursuant to section 208(b)(1), or qualify for a regulatory exemption, pursuant to section 208(b)(2). Interests imputed to you under the law include those of your spouse, minor children, general partner, organization or entity which you serve as an officer, director, trustee, general partner or employee, and any person with whom you are negotiating for employment or with whom you have an arrangement concerning prospective employment.

Pursuant to Executive Order 13989 (1/20/2021), and the ethics pledge you signed when you came to the Department of Education, you may not, for a period of two years from the date of your appointment, participate in any particular matter involving specific parties in which any of your former employers or former clients is, or represents, a party. This disqualification covers meetings or other communications with your former employers and former clients, even if the subject of the meeting is a particular matter of general applicability, unless the meeting or other communication is open to all interested parties. A "former employer" includes any entity for which you have, within the last two years, served as an employee, officer, director, trustee, or general partner, except that it does not include any State or local government. A "former client" includes any entity for which you have personally served as an agent, attorney, or consultant within two years prior to your appointment. (b)(5)

(b)(5)

Stock Ownership

(b)(5); (b)(6)

(b)(5); (b)(6) Please keep in mind that under the Federal conflict of interest statute, 18 U.S.C. § 208(a), you may not participate, in your official Department capacity, in any particular matter involving or affecting an entity in which you and your spouse own stock, or affecting one or more holdings of a sector mutual fund that you and your spouse own, unless you first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1), qualify for a regulatory exemption pursuant to 18 U.S.C. § 208(b)(2), or unless one of the following *de minimus* exemptions apply:

1. You may participate in *any particular matter involving specific parties* in which the disqualifying financial interest arises from the ownership by you, your spouse, or your minor children of securities issued by one or more entities affected by the matter, if: (1) the securities are publicly traded; and (2) the aggregate market value of the holdings in all entities does not exceed \$15,000. 5 C.F.R. § 2640.202(a). For example, if the value of your stock interest in (b)(5) exceeds \$15,000, you must disqualify yourself from participating in any specific party matter at the Department that could affect this financial interest. The term "particular matter involving specific parties" includes any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, grant, investigation, charge, accusation, arrest, or other particular matter involving a specific party or parties. 5 C.F.R. § 2640.102(i). The term typically involves a specific

proceeding affecting the legal rights of the parties, or an isolatable transaction or related set of transactions between identified parties, and includes some meetings.

2. You may participate in *any particular matter involving specific parties* in which the disqualifying financial interest arises from the ownership by you, your spouse, or your minor children of *securities issued by one or more entities that are not parties to the matter* but that are affected by the matter, if: 1) the securities are publicly traded; and (2) the aggregate market value of the holdings in all affected entities does not exceed \$25,000. 5 C.F.R. § 2640.202(b).
3. You may participate in *any particular matter of general applicability* (such as policy matters or regulatory rulemakings) in which the disqualifying financial interest arises from the ownership by you, your spouse, or your minor children of securities issued by one or more entities affected by the matter if the securities are publicly traded, the market value of which does not exceed: (a) \$25,000 in any such entity; and (b) \$50,000 in all affected entities. 5 C.F.R. § 2640.202(c). For example, you must disqualify yourself from drafting regulations that would affect the financial interests of financial sector companies if you, your spouse, or your dependent child own more than \$25,000 worth of publicly-traded stock in a financial sector company, or own over \$50,000 worth of publicly-traded stock in several financial sector companies.
4. You may participate in a particular matter affecting one or more holdings of a sector mutual fund where the disqualifying financial interest in the matter arises because of ownership of an interest in the fund and the aggregate market value of interests in any sector mutual fund or funds does not exceed \$50,000. 5 C.F.R. § 2640.201(b)(2)(i). Therefore, as long as the aggregate value of your, your spouse's, or your dependent child's ownership interest in a specific sector mutual fund is below \$50,000, you may participate in any particular matter at the Department affecting the underlying holdings of that sector mutual fund without running afoul of the criminal conflict of interest statute at 18 U.S.C. § 208(a).

It would be prudent to check the value of your stock (b)(6) on a monthly basis so as not to run afoul of the above-referenced de minimis limits.

Please contact me at margaret.baune@ed.gov or the Ethics Division at ogc.ethics@ed.gov if you have any questions or concerns. Thanks again!

Margaret A. Baune
Attorney
U.S. Department of Education
Office of the General Counsel
Ethics Division
400 Maryland Avenue, S.W.
Washington, D.C. 20202
margaret.baune@ed.gov

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From: Lee, Nicholas
Sent: Thursday, February 18, 2021 17:36
To: Baune, Margaret
Subject: RE: OGE Form 278, New Entrant: Follow-up
Attachments: OGE Form 278 Resolution - Nick Lee (002).docx

Follow Up Flag: Follow up
Flag Status: Flagged

Let me know if this gets the job done. Thanks!

From: Baune, Margaret <Margaret.Baune@ed.gov>
Sent: Thursday, February 18, 2021 2:19 PM
To: Lee, Nicholas <Nick.Lee@ed.gov>
Subject: RE: OGE Form 278, New Entrant: Follow-up

Hi Nick,

Thank you so much for your assistance. Please see the attached updated Word Doc. I have inserted comments to your responses identifying what, if any, changes I made to your Report based on the information you provided. Any new or follow-up questions I have are in the body of the document, highlighted in yellow. I am sincerely appreciative of how easy you have made this review for me. Thanks again!

Margaret A. Baune
U.S. Department of Education
Office of the General Counsel, Ethics Division

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From: Lee, Nicholas <Nick.Lee@ed.gov>
Sent: Monday, February 15, 2021 7:52 PM
To: Baune, Margaret <Margaret.Baune@ed.gov>
Subject: RE: OGE Form 278, New Entrant: Follow-up

Margaret:

Thanks so much for the thorough review! Please find attached my responses in the word doc. Please let me know if there's anything further!

Nick

From: Baune, Margaret <Margaret.Baune@ed.gov>
Sent: Friday, February 12, 2021 4:25 PM
To: Lee, Nicholas <Nick.Lee@ed.gov>
Subject: OGE Form 278, New Entrant: Follow-up
Importance: High

Hello Mr. Lee!

I am an attorney in the Office of the General Counsel, Ethics Division. I have been assigned to review your OGE Form 278, Public Financial Disclosure, New Entrant Report. I am writing to confirm and clarify the information you have provided. Please respond at your earliest convenience, **preferably no later than COB February 19, 2021.**

(b)(5); (b)(6)

(b)(5); (b)(6)

Please let me know if you have any questions. Thank you so much for your assistance on this!

Margaret A. Baune

Attorney

U.S. Department of Education

Office of the General Counsel

Ethics Division

400 Maryland Avenue, S.W.

Washington, D.C. 20202

margaret.baune@ed.gov

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Hello Mr. Lee!

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(b)(5); (b)(6)



