

SEP 11 2019

Mr. Scott Thompson
Alternate Designated Agency Ethics Official
Office of the General Counsel
Department of Defense
Washington DC 20310

Dear Mr. Thompson:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Secretary of the Air Force.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, 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). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon confirmation, I will resign from my position with each of the following entities: RAND Corporation, George W. Bush Presidential Center, the Committee for Economic Development, the Albert and Mary Lasker Foundation, Hoover Institution, the Greater Ravalli Foundation, Horatio Alger Association, Craig and Barbara Barrett Foundation, and the California Institute of Technology. I resigned from the Aerospace Corporation in December 2018. For a period of one year after my resignation from each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which I know that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). Upon confirmation, I will also resign from my position with the Smithsonian Institution.

My spouse and I own the TC Ranch, LLC and the CB Ranch LLC. I do not hold a position with either of these entities. I will continue to have a financial interest in these entities, but I will not provide services material to the production of income. Instead, I will receive only passive investment income from them. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of either entity, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1).

I will retain my position as a trustee of my revocable family trust and my spouse's revocable family trust. I will not receive any fees for the services that I provide as a trustee during my appointment to the position of Secretary. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of either of these family trusts, 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).

I will divest my interests in the following entities within 90 days of my confirmation:

- CenturyLink, Inc
- Intel Corporation
- Raytheon
- Comcast
- Danaher
- DXC Technology
- Illinois Tool Works, Inc
- Johnson & Johnson
- Medtronic
- Pepsico
- Pfizer
- Stanley Black & Decker, Inc.
- Thermo Fisher Scientific Inc.
- Xcel Energy
- Perkinelmer, Inc

With regard to each of these entities, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of the entity until I have divested it, 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).

I will divest my interest in the Franklin Utilities fund and the IShares US Utilities fund, within 90 days of my confirmation. Until I have completed these divestitures, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of any holding of the Franklin Utilities fund or the IShares US Utilities fund that is invested in the utilities sector, 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).

I understand that I may be eligible to request a Certificate of Divestiture for qualifying assets and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Regardless of whether I receive a Certificate of Divestiture, I will ensure that all divestitures discussed in this agreement occur within the agreed upon timeframes and that all proceeds are invested in non-conflicting assets.

You have advised me that, at this time, I do not need to divest my interests in the Tallwave Commercialization Fund and the SVG Thrive Fund. Because the likelihood that my duties will involve particular matters affecting these entities or their investments is remote, the agency has determined that it is not necessary at this time for me to divest my interests in these entities. At this time, the funds do not pose any conflicts. However, you have explained that there is a heightened risk of a conflict of interest if any of these funds are acquiring new holdings. I understand that I am personally responsible for avoiding conflicts of interest with respect to these funds and their holdings and I will monitor the investment information made available to me regarding these funds and consult as appropriate with an Air Force ethics official. With regard to each of these funds, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of the fund or its underlying holdings, 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). Finally, with respect to each fund that does not qualify as an excepted investment fund, pursuant to 5 C.F.R. § 2634.310(c), I will also timely file periodic transaction reports (OGE Form 278-T) for all covered transactions involving holdings of the fund.

My spouse is a Director of K12 Inc. and owns stock in the company. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of K12 Inc., unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment funds that qualify for the exemption at 5 C.F.R. § 2640.201(a), obligations of the United States, or municipal bonds.

I will meet in person with you or an Air Force ethics official during the first week of my service in the position of Secretary of the Air Force in order to complete the initial ethics briefing required under 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

I understand that as an appointee I will be required to sign the Ethics Pledge (Exec. Order No. 13770) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,



Barbara Barrett