

May 31, 2017

Joseph Maher  
Designated Agency Ethics Official  
Department of Homeland Security  
Washington, D.C. 20528-0485

Dear Mr. Maher:

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 Assistant Secretary of Homeland Security, Transportation Security Administration, Department of Homeland Security.

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.

I terminated my employment with Pacific Architects and Engineers, Inc., its parent corporation, affiliates, business units, divisions and subsidiaries (including National Security Solutions (NSS), PAE A-T Solutions Inc., PAE Professional Services, Inc., and PAE-Labat Anderson Incorporated) collectively "PAE", on October 13, 2016. At that time, I entered into a separation agreement with PAE that entitles me to receive monthly payments until November 2017. As a part of the contract, I agreed to cooperate with PAE in potential litigation or litigation matters and PAE agreed to reimburse me for any expenses incurred by me as a result of that cooperation. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness of PAE to provide these contractual benefits to me, 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). Additionally, during any period in which PAE is providing these benefits to me, I will not participate personally and substantially in any particular matter involving specific parties in which I know PAE 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 resign from my positions and professional affiliations with the following entities: Association for Rescue at Sea; American University; Naval Postgraduate School; Covenants Committee, Country Place Citizens Association; National Academy of Sciences; Jewish Institute for the National Security of America; U.S. Global Leadership Coalition; Heroes Linked, Military Veterans Appreciation Trust Foundation; and Frontier Security Strategies. 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).

If I rely on a *de minimis* exemption under 5 C.F.R. § 2640.202 with regard to any of my financial interests in securities, I will monitor the value of those interests. If the aggregate value of interests affected by a particular matter increases and exceeds the *de minimis* threshold, I will not participate personally and substantially in the particular matter that to my knowledge has a direct and predictable effect on the interests, 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), or obligations of the United States.

I will meet in person with you during the first week of my service in the position of Assistant Secretary in order to complete the initial ethics briefing required under 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will also 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,



David Pecoske